



2011

Regional Planning Handbook

A Reference Manual for Administering Overall Work Programs,
Regional Transportation Plans, and their Funding Sources



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1 INTRODUCTION

Within the California Department of Transportation (Department), regional transportation planning is primarily conducted by transportation planners in the Districts and in the Office of Regional and Interagency Planning (ORIP), located within the Division of Transportation Planning (DOTP) at Headquarters, Sacramento.

This Handbook describes the respective roles and responsibilities for District Transportation Planners with regional transportation planning duties, and for Transportation Planners within ORIP.

The focus is the Department's interaction with the Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) in regard to Overall Work Programs (OWPs) and Regional Transportation Plans (RTPs), with emphasis on monitoring activities funded with ORIP-administered transportation planning funds: state Rural Planning Assistance (RPA) and federal Consolidated Planning Grant (CPG).

The Handbook will be updated as procedures change. It is supplemented annually with *Overall Work Program Guidance* packages, which focus on OWP information that changes from year-to-year. There are separate RTPA and MPO versions of the *Guidance* posted on the Internet at <http://dot.ca.gov/hq/tpp/offices/orip/orip.htm> (all other ORIP products are also posted here). ORIP also prepares and distributes annual requests for grant proposals, with application procedures for the discretionary components of the CPG.

This Handbook replaces the 2010 version of the *Regional Planning Handbook*, all earlier versions thereof, and any interim or proposed partial revisions.

1.01 Regional Transportation Planning

Regional Transportation Planning is long-range (20+ years), area-wide, developed through formal consultation with Native American Tribal Governments, and the involvement of federal, state, regional, and local agencies, public entities, private and community based organizations, and individuals working together to identify future regional transportation needs and to plan how these needs can and will be met. "Identify future regional transportation needs" may also include programming specific projects both near and long term to address immediate problems.

The purpose of regional transportation planning is to prepare and provide for the region's mobility in a fiscally and environmentally responsible manner, consistent with the needs, preferences, and sensibilities of the community.

1.02 “3C” Planning: Continuing, Cooperative and Comprehensive

Regional transportation planning is based on the “3Cs” articulated in federal transportation law: continuing, cooperative and comprehensive. It is on-going, not a single completed action. All modes of transportation, including pedestrian walkways and bicycle transportation facilities, among others, shall be considered [23 United States Code (USC), Section 134 and Title 49, USC, Section 3004]. Regional transportation planning involves a wide range of parties in the development of a shared mobility vision, including improving the transition among modes in the multi-modal transportation system and incorporation of new transportation technologies.

Another way of expressing the 3Cs is all transportation providers and users are working together to achieve intermodal mobility in the region.

Transportation concepts and improvements are considered during the planning and programming phases. Project development is post-planning. Examples of project development include: purchasing buses, providing traveler information service, a rideshare program, and construction of a bikeway/pedestrian path. Environmental, right-of-way, design, award, and construction are also considered post-planning phases. While these phases should be iterative and coordinated, Consolidated Planning Grant (CPG) and Rural Planning Assistance (RPA) funds may only fund planning activities.

1.03 Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs)

Among the key regional transportation planning entities in California are eighteen Metropolitan Planning Organizations (MPOs). Every county in California is served by an RTPA and every county with at least one urbanized area is also served by an MPO.

Federal law [Title 23 United States Code section 134] defines a MPO as a forum for cooperative transportation decision-making. A MPO is an urbanized area over 50,000 in population, but a single MPO may serve more than one urbanized area. MPOs are generally known in California as councils of government or associations of government.

RTPAs are created pursuant to California law (Government Code Section 29532 et seq.) and although State law does not define a RTPA, Government Code Section 65080 identifies some RTPA responsibilities: to adopt a regional transportation plan and to prepare and adopt a regional transportation improvement program. The RTPAs are local transportation commissions, county transportation commissions, councils of government, and associations of government. Seven RTPAs are statutorily created (Gov. Code Section 29532.1).

MPOs and RTPAs perform generally the same transportation planning work. For example, both prepare an annual Overall Work Program (OWP) and both develop

regional transportation plans (RTPs), and both program projects into transportation improvement programs.

Some MPOs serve a single county and some serve several counties. With the exception of the Sacramento Area Council of Governments (SACOG) and the Association of Monterey Bay Area Governments (AMBAG), the boundaries of MPOs and RTPAs are the same. Two MPOs, AMBAG and the Tahoe Metropolitan Planning Organization (TMPO) are not RTPAs. The Tahoe Regional Planning Agency (TRPA) is the RTPA for TMPO. The RTPAs within AMBAG's boundaries are Santa Cruz County Regional Transportation Commission, Transportation Agency for Monterey County and San Benito Council of Governments.

All non-MPO RTPAs serve only one county. El Dorado County Transportation Commission and Placer County Transportation Planning Agency are the RTPAs for their respective counties to the crest of the Sierra Mountains. The area east of the crest in these two counties is part of the Tahoe Regional Planning Agency (TRPA), which has the same boundaries as TMPO. The TRPA/TMPO boundaries also include portions of Nevada. The map on page 5 shows MPO and RTPA boundaries within California.

MPOs and RTPAs are the entities that receive state and/or federal transportation planning funds to accomplish regional transportation planning through the activities detailed in their OWPs. These funds are used to identify transportation improvements in sufficient detail in RTP action elements to model them for air quality conformity (in air quality non-attainment and maintenance areas), to establish fiscal constraint, and to serve as a purpose and need foundation for environmental alternatives analysis and project approval.

As needed, MPOs and RTPAs may enter into agreements or memoranda of understanding (MOUs) to accomplish their work; for example, with adjacent MPOs/RTPAs regarding cross-jurisdictional issues, to prepare inter-urban/inter-area corridor studies, to perform air quality conformity analyses if the air basin has different boundaries from those of the MPO/RTPA, to assess feasibility of inter-urban/inter-area commuter rail service, etc.

A map of the MPOs/RTPAs can be found on page 5.

1.04 The Core Regional Transportation Planning Document and Products

The core regional transportation planning document is the Overall Work Program (OWP) and its core product is the regional transportation plan (RTP).

The OWP and RTP are directly and inextricably interconnected. OWP activities support the RTP and development of the RTP is an OWP activity. The RTP is implemented through the Regional Transportation Improvement Program (RTIP) and the Federal Transportation Improvement Program (FTIP). Development of the RTIP and FTIP are OWP activities.

The OWP is a California variant of what federal regulations [23 Code of Federal Regulation (CFR) 450.314] refer to as a Unified Planning Work Program (UPWP). Federal regulations do not define it, but list what it must contain, depending on the size of the MPO and various other factors. The least complex OWPs include a description of what work is to be accomplished, when, by whom, and using which specific funding.

The OWP is a one-year scope of work and budget for transportation planning activities and funding sources to be accomplished between July 1 and June 30 of the state fiscal year. It is a statement of proposed work and estimated costs that tie specific available transportation planning funding sources to specific transportation planning activities.

Federal law uses the term Metropolitan Transportation Plan (MTP) and defines the term as the official intermodal transportation plan that is developed and adopted through the metropolitan transportation planning process for the metropolitan planning area. California law uses the term regional transportation plan. Statutes relative to legislative intent (Gov. Code Section 65070), preparation and contents (Gov. Code Section 65080), and public hearing (Gov. Code Section 65090) effectively provide a definition.

As with most plans, the RTP has a long-term horizon (not less than 20 years within the entire life of the RTP) and identifies existing and future transportation needs in the region. Although it includes rough cost estimates for the transportation proposals and is fiscally constrained (i.e., the total anticipated cost of the proposals is limited to the total reasonably anticipated revenues for the term of the plan), specific fund sources are usually not identified for the individual transportation proposals.

The RTP is defined as a project under the California Environmental Quality Act, and in air quality non-attainment areas it must conform to the State Implementation Plan (SIP). (See Sections 6.04 and 6.09 for more information about air quality and CEQA.)

CALIFORNIA

Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs)



1.05 Transportation Planning Funding Administered by ORIP

ORIP administers two transportation planning fund groups:

- Rural Planning Assistance (RPA)
- Consolidated Planning Grant (CPG)

RPA is state transportation planning funding included in a State Budget line item, allocated by the Department per population formula to rural RTPAs. (None of the rural RTPAs are MPOs). It is provided on a reimbursement basis, after costs are incurred and paid for using local funds. In FY 2010/2011, the annual RPA allocation was approximately \$6 million. (Sections 4.02 and 4.03 provide additional information about RPA.)

CPG is federal funding which statewide totals approximately \$55-60 million annually. The amount can increase or decrease contingent upon California's federal apportionment. (Chapter 3 provides more detail about CPG.)

Reference may be made to other funding sources, but the fund encumbrance, monitoring, administration and reimbursement procedures described in this Handbook only apply to RPA and CPG. Please contact the appropriate Caltrans office for information and guidance on other funding sources (See Section 4.01).

1.06 Regional Planning Responsibilities

Every District has regional planning liaisons. The District has primary review, monitoring, and approval responsibility for OWPs, but should work with their ORIP liaison to incorporate comments on OWPs when there are issues or concerns that jeopardize approval. Although District and ORIP responsibilities are different, they are complementary.

The District informs ORIP about District and MPO/RTPA staffing changes, MPO/RTPA successes, problems, and issues (e.g. important accomplishments, high profile work elements, politically sensitive or significant issues). ORIP informs the Districts about legislation and regulations, funding, audit issues, new approaches and procedures, statewide transportation planning issues of interest to the region(s), and regional lobbying efforts to the Department Director, the Secretary of the Business, Transportation and Housing Agency, and/or the Governor's Office.

Below is a list of the ORIP Regional Planning Responsibilities:

- Develop annual *OWP Guidance*
- Develop and update the *Regional Planning Handbook*
- Review all draft OWPs to ensure that they meet the needs of statewide programs and/or policies and send comments to District Liaison by due date
- Attend Annual MPO Meetings when possible

- Allocate RPA and CPG and reconcile prior years CPG and RPA carryover with each MPO/RTPA
- Encumber CPG and RPA through Accounting and code Requests for Reimbursement
- Review and collect all of the current fiscal year's OWP additional documents , i.e. Quarterly Reports, Amendments, Certifications and Assurances
- Reviews and codes all RFRs
- Advise Districts of statewide transportation policy issues, proposed legislation and new legal and regulatory requirements
- Provide Regional Planning Training when needed
- Answer any questions about policy and statute
- Update MFTA and MOUs as needed
- Develop *RTP Guidelines*
- Answer any questions pertaining to RTP policy and statute
- Review all draft RTPs to ensure that they meet the needs of Federal and State regulations and/or policies
- Monitor RTP updates
- Maintain RTP files and logs
- Manage and monitor FHWA Partnership Planning, FTA 5304 Transit Planning, Regional Blueprint Planning, and Prop 84 Grants

Below is a list of the Districts Regional Planning Responsibilities:

- Forward *OWP Guidance* and *Regional Planning Handbook* Updates to the MPO/RTPA
- Review all draft OWPs to ensure that they meet the needs of statewide programs and/or policies
- Circulate Draft OWP with a comment transmittal memo to HQ ORIP District Liaison and other reviewers
- Collect all Draft OWP comments to include in a comprehensive letter to the MPO/RTPA.
- Ensure all comments are included in the Final OWP.
- Attend Annual MPO Meetings and represent the Department on related issues.
- Provide recommended OWP approval letter to FHWA/FTA by June 1st.
- Approve and send all additional OWP documents, i.e. Quarterly Reports, Amendments, Certifications and Assurances to ORIP District Liaison
- Reviews all RFRs to ensure expenditures are accurate, for eligible activities, for delivered products, and completed in accordance with work elements in the OWP and Federal and State Requirements
- Notify ORIP of any problems arise
- Represent the Department in the RTP process
- Review and circulate Draft RTP and environmental document
- Collect and prepare draft RTP comments
- Distribute Final RTP document
- Notify HQ of any amendments

- Approve and submit FHWA Partnership Planning, FTA 5304 Transit Planning, and Regional Blueprint Planning Grants Quarterly Progress Reports and Close-out Packages.
- Approve and submit Prop 84 Quarterly Progress Reports

1.07 Authority

Regulations and Statutes authorizing regional transportation planning are found primarily in Titles 23 and Title 49 of United States Code (USC), and in Sections 65080 et seq., and 29532 et seq., of the California Government Code. Governing regulations are found in the Code of Federal Regulations (CFR) and the California Code of Regulations.

Federal accounting and auditing requirements are as per Titles 48 and 49 USC and CFR, and Office of Management and Budget (OMB) and Federal Transit Administration (FTA) Circulars and guidance. State accounting and auditing requirements are as per the Government Code, the Public Utilities Code, the Public Contracts Code, and the Health and Safety Code.

Some other key authorities include Government Code Section 6500 et seq., Streets and Highways Code, Presidential Executive Orders 12372, 12612, and 12898, the State Budget, the State Administrative Manual, the California Labor Code, the Older Americans Act, the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act, the Clean Air Act Amendments, Title VI of the Civil Rights Act of 1964, and the California Environmental Quality Act (CEQA).

The Department Director has delegated authority for most regional transportation planning responsibilities to the District Directors in Executive Orders, *Confirmation of and Delegation of Authority*. These twelve Executive Orders reference and incorporate the Director's Policy for *Program Management* (Number 16, effective 12-1-94). ORIP provides oversight and statewide guidance relative to these authorities. ORIP may also request additional information as needed.

1.08 Reference Materials

In this Handbook, forms and samples are interspersed with the text or are included in the Appendix. Below are companion and reference document:

- 23 USC 134 – Federal Aid Highways – Metropolitan Transportation Planning
- 23 CFR 450 – Statewide and Metropolitan Planning regulations
- 23 CFR 420 – Administration of FHWA Planning and Research funds
- 49 CFR 18 – Uniform Administrative Requirements for Grants and cooperative Agreements to States and Local Governments
- FTA circular 5010.1D – Grant management Requirements
- FTA circular 8100c – Program Guidance for Metropolitan Planning and State Planning and Research Grants

- OMB circular A-87 – Cost Principals for State, local, and Indian Tribal Governments
- OMB circular A-133
- Government code 65080 – CA Metropolitan Planning Responsibilities
- Public Utilities Code 99310 – 99320 – State Transportation Funding
- Local Programs Procedures:
 - 00-05: Pre-award audit requirements and Consultant procurement
 - 04-10: accounting/invoices

ORIP products are posted at:

<http://www.dot.ca.gov/hq/tpp/offices/orip/index/html>

1.09 Terms and Acronyms

There are thousands of transportation and transportation planning terms and acronyms. However, familiarity with the following terms and acronyms is essential to understanding concepts in this Handbook.

Allocation	A distribution of funds by formula or agreement.
Apportionment	Distribution of federal funds (grants) by a statutory formula to the states' Governors for allocation by them to the grant recipients.
Appropriation	An official action (e.g. passage of a law) to make funds available, with specific limitations as to amount, purpose and duration.
Encumber	The formal processes, which commit funds for a specific purpose, e.g., commitment of Rural Planning Assistance (RPA) to an RTPA, or FHWA Metropolitan Planning (PL) funds to an MPO.
FHWA, FTA	The Federal Highway Administration and the Federal Transit Administration are two of the modal agencies in the United States Department of Transportation (US DOT).
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991; federal transportation legislation signed into law in 1991, succeeded by the Transportation Equity Act for the 21 st Century (TEA-21) in 1998.
MFTA	Along with the OWP and OWPA, it constitutes the funding contract and requirements between the state and the MPO/RTPA for CPG and/or RPA funds. It is an ongoing, multi-year agreement that prevails until is it amended,

updated, or replaced. The provisions of the MFTA also apply to any MPO/RTPA contractors or subcontractors.

MPO	<p>Metropolitan Planning Organizations are the regional planning entities in urbanized areas, usually an area with a population of 50,000 or more. As of December 2006, there are eighteen MPOs in California.</p> <p>Although the Tahoe region does not include an urbanized area 50,000 or larger, TEA-21, permitted the Tahoe region to establish a MPO.</p>
Obligation	<p>The Federal government's legal commitment (promise) to pay or reimburse the States or other entities for the Federal share of a project's eligible costs.</p>
ORIP	<p>Office of Regional and Interagency Planning in the Department's Division of Transportation Planning, Headquarters, Sacramento.</p>
Reimbursement	<p>State or federal transportation planning funds paid to the MPO/RTPA for transportation planning work activities in the OWP already done by the MPO/RTPA, or on behalf of the RTPA/MPO by a contractor or consultant, and already paid for using local funds.</p>
RTPA	<p>Regional Transportation Planning Agency, the regional planning entity referenced in California law; e.g., a local transportation commission, a statutorily created RTPA, or a council of governments.</p>
SAFETEA-LU	<p>Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, federal transportation legislation signed into law in 2005; successor to TEA-21.</p>
TEA-21	<p>Transportation Equity Act for the 21st Century; federal transportation legislation signed into law in 1998; successor to ISTEA, succeeded by SAFETEA-LU.</p>
Unexpended Carryover	<p>Unexpended Federal CPG funding -- FHWA Metropolitan Planning (PL), FTA Metropolitan Planning (§ 5303), FTA State Planning and Research (§5304), and FHWA State Planning and Research – Partnership Planning Element -- need not be fully expended during the fiscal year in which they are appropriated and allocated or awarded. The recipient may</p>

carryover unexpended amounts to the next fiscal year. MPOs' carryover FHWA PL and FTA 5303 and RTPAs' carryover RPA via a reconciliation letter process. Both MPOs/RTPAs are allowed to carryover FTA 5304 and FHWA State Planning and Research-Partnership Planning Element funds and RTPAs are allowed to carryover 25% of RPA funds via permission from HQ Regional Planning.

The Mineta Transportation Institute glossary of transportation planning terms:

<http://transweb.sjsu.edu/comglos.htm>

FHWA's Planning Glossary:

http://www.fhwa.dot.gov/planning/glossary/glossary_listing.cfm

2 OVERALL WORK PROGRAM (OWP)

Annually, each MPO/RTPA is required to develop and submit an Overall Work Program (OWP) that its Governing Board adopts per the MFTA, Section 1(A).

The OWP introduces the agency and provides an overview of the region, with a focus on its transportation goals and objectives, and the actions to achieve those goals and objectives. The OWP is a scope of work for transportation planning activities, including estimated costs, funding sources, and completion schedules.

Although the OWP reflects work to be performed by in-house MPO/RTPA staff or work the agency contracts out, preparation of the OWP should involve collaboration among all transportation partners in the region. Partners that should be included are: the Department, transit providers, community based organizations, railroads/maritime ports/airports, bicycle and pedestrian interests, congestion management agencies, state and federal resource agencies, city and county local governments, the public (including minority and low-income populations, etc.), and government-to-government consultation with Native American Tribal Governments.

The OWP is intended to provide a comprehensive overview of transportation planning, and should include regional activities that will be completed by other entities. These may be shown as actual work elements, but are typically shown in as a chart or matrix, either in the body of the OWP or in the appendix. (See Sample Chart)

Sample Other Entities' Transportation Planning Activities Chart

Activity Title	Activity Description	Product(s)	Comments

Regional transportation planning staff in the Districts are the initial and principal point of planning contact between Department and the MPO/RTPA. They have primary review, monitoring, and administration responsibilities for the MPO's/RTPA's OWPs. The District staff also provides the MPO/RTPA with information about the Department's transportation planning activities in the region.

Regional transportation planning staff at ORIP provides tools and guidance to assist and to support the efforts of the District regional planners.

2.01 The Purpose and Contents of the OWP

The OWP is the MPO's/RTPA's transportation planning structure for the state fiscal year, July 1 through June 30. It can also be used for other purposes, such as:

- The MPO's/RTPA's annual operations plan for the state fiscal year
- The MPO's/RTPA's planning budget for the state fiscal year
- An activity tracking and management tool for the MPO/RTPA Governing Board
- A contract and monitoring tool for local, state, and federal entities to track the completion of annual transportation planning and expenditure of funds
- An easy reference for members of the public who wish to know the "who/what/when/where/how much" of transportation planning activities in the region

The OWP Budget Revenue Summary is an at-a-glance overview of the entire year's transportation planning activities and funding. The individual work elements provide more specific information and work completion timelines. (See Section 2.04b.)

In the OWP, there is an overview of the MPO's/RTPA's decision-making, partnering, public participation and other approaches. For example, staff accomplishments technical planning committees, workshops, data gathering, public participation, outreach, and information sharing efforts, etc. Formal decisions are made by a vote of the MPO/RTPA Governing Board at regularly scheduled meetings based on recommendations and information provided by MPO/RTPA staff and advisory committees. Members of the public have the opportunity to present their views and express their support or opposition at Board meetings. (See also Section 7.02, Native American Tribal Governments and Communities.)

2.02 The OWP is Part of a Funding Contract

In conjunction with the Overall Work Program Agreement (OWPA) and the regional transportation planning Master Fund Transfer Agreement (MFTA), the OWP constitutes the annual funding contract between the state and the MPO/RTPA for the Consolidated Planning Grant (CPG) and/or Rural Planning Assistance (RPA). It is also the annual application for CPG formula funds and RPA. (See Chapter 3 for more information about CPG.)

The MFTA is an on-going, multi-year agreement that prevails until it is amended, updated, or replaced. The current MFTAs are set to expire December 31, 2014. The MFTA requires that MPOs/RTPAs submit an OWP each year. The MFTA also states that the MPO/RTPA agrees to comply with all applicable state and federal laws, regulations and requirements.

Although the MFTA is a complex legal document, it is written in sufficiently generic terms and does not require annual reconsideration. Detail is added through the OWP and OWPA. (See Section 2.05 for more information about OWPA.) This three-document arrangement is straightforward and practical, and much less expensive for the MPO/RTPA and the Department than entering into a completely new fund transfer contract each year.

The provisions of the MFTA are also applicable to any MPO/RTPA contractors and subcontractors.

2.03 The MFTA/OWP/OWPA Trio Only Encumbers CPG and/or RPA

Although the OWP is a comprehensive document that includes a wide variety of funding sources, the regional planning MFTA and the OWPA only apply to CPG and/or RPA. There are different applications, agreements, and fund transfer arrangements for other transportation planning funds, specifically funds not administered by ORIP.

Even if there is a fully executed MFTA between the state and the MPO/RTPA, the current year's CPG and/or RPA cannot be encumbered for the MPO/RTPA until it has a Final OWP adopted by the MPO/RTPA Governing Board, is approved by the Department and FHWA and FTA, has a fully completed and executed *original* OWPA on file in ORIP, and the state budget has been approved and signed by the Governor per the MFTA, Article 1 (E) and (F) and Article 2, Section 4.

Reimbursement can only occur after passage of the State Budget on or around July 1.

2.04 The Three Components of the OWP

Although OWPs vary in length, complexity, and format, in general, they include the following three components:

- Introduction or prospectus
- Work elements
- Budget Revenue Summary

Per 23 CFR Part 450.308(c) the federal unified planning work program contents are divided into five categories 1) tasks, 2) federally funded studies and all relevant state and local planning activities regardless of funding source, 3) funding sources by project, 4) schedule of activities, and 5) responsible entity for each task or study. All five are included among the three OWP components.

2.04.a Introduction or Prospectus

The OWP introduction or prospectus provides the context for understanding the proposed work activities and gives information about the region. For example, the following information should be provided:

- The region's transportation planning approach
- Agency organizational structure and interagency arrangements
- Decision-making steps
- Government-to-government consultation with Native American Tribal Governments
- An overview of public participation and involvement
- Significant regional characteristics and issues, demographics, transportation needs, priorities, and goals
- How the annual Planning Emphasis Areas (PEAs) and the federal planning factors are addressed in the work elements
- Progress made toward implementing the Regional Transportation Plan

2.04.b Work Elements

Work elements identify specific planning work (such as "activities," "tasks," "steps," "products," etc.) to be completed during the term of the OWP.

There should be a separate work element for each major activity, grant award, and each work element should include:

- A title and work element number
- A purpose or objective statement
- An identification of previous, ongoing and future years' work
- A description of steps/activities/tasks/products, etc., completion dates, responsible entities (including work identified as contracted, in-house, sub-regional, etc.)

- A table showing all fund sources, and uses of these funds (e.g., in-house, contracted)

Whenever possible, work elements should be included in the OWP that demonstrate efforts to enhance non-motorized transportation and provided a balanced, multi-modal transportation system, regardless of whether or not non-motorized transportation is included as one of the Planning Emphasis Areas (PEAs).

Some MPOs/RTPAs have created one single work element for each category of work, referred to as mega-work elements. Mega-work elements are discouraged because such a broad-brush approach defeats the OWP's utility as a comprehensive information document for the Governing Board, other agencies, and the public; as a transportation planning work plan; and as a budget to monitor planning and expenditures.

In each work element, previous, on-going, and future years' work should be identified. For multi-year work elements, the activities to be completed, as well as the sources and uses, are shown separately by year. For prior years, the accomplished activities are summarized and the work element budget should show actual expenditures. For the current and future years, the sources and uses are estimates.

If federal funds are displayed as a funding source in the work element, the required percentage of local match, (i.e., non-federal local funds or local "in-kind" contributions), must be shown. (See Section 3.06 for more information about local matches.)

Appendix A includes a sample Work Element.

2.04.c Budget Revenue Summary

Although each work element entry includes a breakdown of funding sources and types, and shows the entity to which those funds will be reimbursed, *all* OWP sources and uses must also be listed in a comprehensive Budget Revenue Summary table. Some other commonly used titles for the summary are Revenue and Expenditure Summary, Funding Table, etc. The summary shows all funds in the OWP, itemized by work element and funding sources and types. Prior years' unexpended CPG and RPA carryover in the OWP must be identified separately from the current year's allocations and/or awards.

Consistency of funding throughout the OWP is vitally important (i.e. the entries in the Budget Revenue Summary must accurately reflect the amounts in the individual work elements). Totals for individual sources may not exceed allocations or awards. (Sections 2.05 and 3.07 provide more information about unexpended carryover.) The total amount for each work element should also not exceed allocation.

Appendix B includes a sample Budget Revenue Summary.

2.05 The OWPA

The Overall Work Program Agreement (OWPA) is a one-page document signed by the MPO/RTPA and the District. The Directors Delegation of Authority allows the District Deputy Director to approve annual OWPA's with RTPAs and MPOs. The signatures on the OWPA formalize the annual CPG and/or RPA contract, effective upon passage of the State Budget.

The MPO/RTPA provides an original signed OWPA and forwards it to the District. The authorized MPO/RTPA signatory is usually the Executive Director or the Finance Officer, as per Governing Board delegation. Although the Board action adopting the OWP is very specific, often the signature delegation authority for the OWPA is fairly generic.

The District signatory is the District Director or the Deputy District Director for Planning, as delegated by the District Director. After the District obtains the necessary signature on the original OWPA (signed in **blue** ink to more easily distinguish original signatures from photocopies), the District makes photocopies for its file and for the MPO/RTPA and forwards the original to the ORIP District Liaison.

ORIP requires one original signature OWPA. The District and/or the MPO/RTPA may also prefer (or require) originals rather than photocopy versions. In such instances the two parties need to determine how many additional original OWPA's they will need.

After passage of the State Budget, ORIP's Fund Specialist uses the OWPA to encumber CPG and/or RPA on behalf of the MPO/RTPA for the term of the OWP.

The OWPA is specific to a fiscal year and must accurately reflect the OWP. This means a new OWPA must be submitted each year with the adopted and approved Final OWP. The CPG/RPA funds programmed and approved in the OWP will be equal to the funds to be encumbered by the OWPA. An OWPA amendment must be submitted each time there is an OWP amendment that changes the total amount of CPG (which will also change the local match) and/or RPA.

There are separate OWPA forms for MPOs and RTPAs. It is the District's responsibility to ensure the correct version of the form is used and all fill-in information is accurate. The District should check that:

- The CPG and/or RPA totals in the funding columns are consistent with the amounts in the OWP work elements and Budget Revenue Summary.
- Allocations are not exceeded.
- The local match for each federal fund source and type precisely reflects the mandatory (minimum) percentage.

For CPG, the minimum "mandatory local match" amount entered on the OWPA is based on the total amount of each federal funding source and type. For example: total FHWA Metropolitan Planning (PL) dollars in the OWP divided by the PL federal

participation rate (.8853) multiplied by the local match rate (.1147) = mandatory minimum local match. (Section 3.05 provides more information about local match.)

Total PL = \$100

$\$100 \div .8853 = \112.96 (total PL divided by PL federal participation rate)

$\$112.96 \times .1147 = \12.96 (sum of federal and local match multiplied by the local match rate)

Mandatory local match for \$100 PL is \$12.96

The ORIP Fund Specialist can provide an excel spreadsheet with preset calculations to assist Districts and MPOs/RTPAs to accurately compute local match.

The Final OWP for the fiscal year beginning July 1 (the next fiscal year) is usually adopted in May or June, while the current fiscal year's OWP is still active. Unexpended CPG carryover from prior years that are part of the currently active OWP cannot be included in the next fiscal year's Final OWP and OWPA until after closeout and reconciliation of the current fiscal year's OWP. Any prior years' carryover not encumbered by the current year's OWP may be included in the next fiscal year's Final OWP. After reconciliation, any remaining CPG or RPA funds and the activities to be funded therewith may be amended into the OWP and the OWPA. (See Sections 3.08, Reconciliation of CPG Carryover Balances, Section 3.09 Reconciliation of RPA Carryover Balances, and Section 4.09 Year-End Package.)

What MPOs/RTPAs refer to as "carryover work" or work not completed by June 30, is not tied to carryover balances. All carryover work must be included in the new fiscal year's OWP and must be funded with amounts not encumbered in the current year OWP. Post-reconciliation funds amended into the OWP and OWPA are for additional work amended into the OWP.

The OWPA cannot include separate line entries for current versus prior years' balances, therefore the ORIP Fund Specialist requires a letter or memo from the MPO/RTPA to identify current year CPG versus carryover amounts when carryover funds are included or amended into the OWP and OWPA. In the Budget Revenue Summary, CPG carryover funds must be listed in a separate column from the current year's funds and must be identified by funding source and type. (See Section 3.07 and 3.08 for more information about unexpended carryover.)

MPO and RTPA OWPA forms can be found on ORIP's website at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

Appendix C and D includes sample MPO and RTPA OWPA's.

2.06 OWP Timeline

The draft portion of an MPO/RTPAs OWP cycle may begin as early as October and may continue into June of the following calendar year. The administration and accomplishment of the OWP spans the state fiscal year July 1 through June 30. Closeout

commences with the end of the state fiscal year and extends to January 1 of the next calendar year when the MPO's/RTPA's Annual Fiscal and Compliance Audit Report is due to the District. (See Timelines on pages 19 and 20.)

Draft OWPs for RTPAs are due to the Districts and ORIP by March 1.

Draft OWPs for MPOs are due to the Districts and ORIP 30 days before the MPO's federal Annual MPO meeting or March 1, whichever occurs first. (See Section 2.13 for more information about Annual MPO meetings.)

2.07 *OWP Guidance*

Toward the end of the calendar year, ORIP prepares and distributes *OWP Guidance* consistent with which the MPO/RTPA drafts its OWP for the next fiscal year.

The *OWP Guidance* includes:

- A timetable
- A review checklist
- The planning emphasis areas (PEAs)
- For MPOs, the current year's actual FHWA Metropolitan Planning (PL) amounts to use as next year's estimated FHWA PL amounts
- For MPOs, the current year's actual FTA § 5303 amounts to use as next year's estimated FTA § 5303 amounts
- For RTPAs, the current year's actual RPA amounts to use as next year's estimated RPA amounts
- Highlights and reminders for the next FY OWP process

The MPOs use the FHWA PL and FTA 5303 estimates in the *OWP Guidance* in their Final OWPs. If these amounts change after passage of the federal budget, the OWPs and the OWPAs need to be amended accordingly.

The rural RTPAs use the RPA estimates in the *OWP Guidance* in their Final OWPs. If these amounts change after passage of the State Budget, the OWPs and OWPAs need to be amended accordingly.

There is no reimbursement of CPG and RPA prior to passage of the State Budget as stated in the MFTA. This is due to the states lack of spending authority until a budget is approved and signed by the Governor.

ORIP distributes the *OWP Guidance* to the Districts with instructions to share it with MPOs/RTPAs. ORIP also posts the *OWP Guidance* at: <http://www.dot.ca.gov/hq/tpp/offices/orip/orip.htm>

MPO Overall Work Program Timeline 11/12

Key dates for the previous year's closeout through the following year's draft

Beginning of State Fiscal Year 11/12: July 1, 2011		
July '11	August '11	September '11
<p><u>July 31</u>: Q4 Progress Report due to District.</p> <ul style="list-style-type: none"> Following passage of the State Budget, Accounting encumbers funds for MPOs using complete and accurate OWPs/OWPAs and updated MFTAs. MPOs begin work. 	<p><u>August 15</u>: Q4 Progress Report due to ORIP</p> <p><u>By August 31</u>: Year End Package due to District. **</p>	<p><u>September 15</u>: Year-End Package due to ORIP. **</p>
Beginning of Federal Fiscal Year 11/12: September 1, 2011		
October '11	November '11	December '11
<p><u>October 31</u>: Q1 Progress Report due to District.</p> <ul style="list-style-type: none"> FHWA PL actual #s for 07/08 after passage of federal budget. ORIP notifies Districts, Districts notify MPOs, MPOs amend OWPs/OWPAs to show actual PL #s. 	<p><u>November 15</u>: Q1 Progress Report due to ORIP.</p> <p><u>November – June</u>: MPOs/RTPAs draft, circulate and finalize OWPs</p>	<ul style="list-style-type: none"> ORIP's annual OWP Guidance.
January '12	February '12	March '12
<p><u>January 1</u>: MPO Annual Fiscal and Compliance Audit Report due to District</p> <p><u>January 31</u>: Q2/mid-year Progress Report due to District.</p> <p><u>January-February</u>: District mid-year OWP status meeting with MPOs.</p>	<p><u>February 15</u>: Districts send Annual Fiscal and Compliance Audit Reports to Audits, ORIP, Accounting and FHWA.</p> <p><u>February 15</u>: Q2/mid-year Progress Report due to ORIP.</p> <p><u>February - May</u>: Individual Annual MPO meetings, MPO draft OWPs due 30 days before the annual MPO meeting, but no later than March 1, Districts review and circulate draft OWPs.</p>	<p><u>March 1</u>: Latest date to submit draft OWP to District.</p>
April '12	May '12	June '12
<p><u>April 30</u>: Q3 Progress Report due to District. April-May, District year-end OWP status meetings with MPOs.</p>	<p><u>May 1</u>: deadline for OWP/OWPA amendments (complete package due to ORIP).</p> <p><u>May 15</u>: Q3 Progress Report due to ORIP</p> <p><u>May</u>: Adopted OWPs due to Districts, Districts approve OWPs and send to FHWA/FTA.</p> <p>May 1 deadline for MPO Indirect Cost Negotiation Agreements and Cost Allocation Plans due to CT Audits and Investigations. MPOs are encouraged to submit their</p>	<p><u>June 1</u>: FHWA/FTA receive final MPO OWPs by June 1 and review and approve by July 1.</p> <ul style="list-style-type: none"> Districts recommend OWP approval to FHWA/FTA. FHWA/FTA concur and re-approve MPO OWPs.
Beginning of State Fiscal Year 12/13: July 1, 2012		
July '12	August '12	September '12
<p><u>July 31</u>: Q4 Progress Report due to District.</p> <p><u>Before July 1</u>: Final approved and adopted OWP and fully executed OWPA due to ORIP.</p> <ul style="list-style-type: none"> After Passage of the State Budget, Accounting encumbers funds for MPOs using complete and accurate OWPAs 	<p><u>August 15</u>: Q4 Progress Report due to ORIP.</p> <p><u>August 31</u>: Year End Package due to District.</p>	<p><u>September 15</u>: Year End Package due to ORIP**.</p>

= 09/10 OWP Closeout = 10/11 OWP Current Year = 11/12 OWP draft, review, adopt and approve

** The Year End Package must include a Certification of Expenditure by Fund Source including the Final Statement of Expenditures attachment *and* the last Request for Reimbursement for the OWP cycle clearly marked "FINAL."

RTPA Overall Work Program Timeline 11/12

Key dates for the previous year's closeout through the following year's draft

Beginning of State Fiscal Year 10/11: July 1, 2011		
July '11	August '11	September '11
<p><u>July 31</u>: Q4 Progress Report due to District.</p> <ul style="list-style-type: none"> Following passage of the State Budget, Accounting encumbers funds for RTPAs using complete and accurate OWPs/OWPAs and updated MFTAs. RTPAs begin work after funds are encumbered. 	<p><u>August 15</u>: Q4 Progress Report due to ORIP</p> <p><u>By August 31</u>: Year End Package due to District. **</p>	<p><u>September 15</u>: Year-End Package due to ORIP. **</p>
Beginning of Federal Fiscal Year 10/11: September 1, 2011		
October '11	November '11	December '11
<p><u>October 31</u>: Q1 Progress Report due to District.</p>	<p><u>November 15</u>: Q1 Progress Report due to ORIP.</p> <p><u>November – June</u>: MPOs/RTPAs draft, circulate and finalize OWPs</p>	<ul style="list-style-type: none"> ORIP's annual OWP Guidance.
January '12	February '12	March '12
<p><u>January 1</u>: RTPA Annual Fiscal and Compliance Audit Report due to District</p> <p><u>January 31</u>: Q2/ mid-year Progress Report due to District.</p> <p><u>January-February</u>: District mid-year OWP status meeting with RTPAs.</p>	<p><u>February 15</u>: Districts send Annual Fiscal and Compliance Audit Reports to Audits, ORIP, Accounting and FHWA.</p> <p><u>February 15</u>: Q2/ mid-year Progress Report due to ORIP.</p> <p><u>February - May</u>: Districts review and circulate draft OWPs.</p>	<p><u>March 1</u>: Latest date to submit draft OWP to District.</p>
April '12	May '12	June '12
<p><u>April 30</u>: Q3 Progress Report due to District.</p>	<p><u>May 1</u>: deadline for OWP/OWPA amendments (complete package due to ORIP).</p> <p><u>May 15</u>: Q3 Progress Report due to ORIP.</p> <p><u>May</u>: Adopted OWPs due to Districts, Districts approve OWPs</p>	
Beginning of State Fiscal Year 11/12: July 1, 2012		
July '12	August '12	September '12
<p><u>July 31</u>: Q4 Progress Report due to District.</p> <p><u>Before July 1</u>: Final approved and adopted OWP and fully executed OWPA due to ORIP.</p> <ul style="list-style-type: none"> After Passage of the State Budget, Accounting encumbers funds for RTPAs using complete and accurate OWPAAs 	<p><u>August 15</u>: Q4 Progress Report due to ORIP.</p> <p><u>August 31</u>: Year End Package due to District.</p>	<p><u>September 15</u>: Year End Package due to ORIP**.</p>

= 09/10 OWP Closeout
 = 10/11 OWP Current Year
 = 11/12 OWP draft, review, adopt and approve

** The Year End Package must include a Certification of Expenditure by Fund Source including the Final Statement of Expenditures attachment and the last Request for Reimbursement for the OWP cycle clearly marked "FINAL".

2.08 Planning Emphasis Areas and Federal Planning Factors

Each year FHWA develops California Planning Emphasis Areas (PEAs) to promote priority themes for consideration in transportation planning (i.e. for integration into the OWP). The National PEAs are published in the Federal Register, usually toward the end of the calendar year and ORIP includes both the state and national PEAS in the annual *OWP Guidance*. Generally, the Department accepts the PEAs as the state planning priorities.

MPOs are required to incorporate the PEAs in the OWP. While it is not required, it is recommended that RTPAs include the National PEAs in the current OWP. Some RTPAs/MPOs discuss their PEAs-related work in the OWP introduction or prospectus. Others include matrixes to indicate the PEAs-related work elements. If one (or more) of the PEAs is not addressed, the reason should be clearly stated.

Like the PEAs, the federal planning factors in Title 23 United States Code, Section 134(f) (revised in SAFETEA-LU section 6001(h) to separate safety and security) should also be incorporated in the MPOs/RTPAs OWP. Federal Planning Factors are issued by Congress and emphasize planning factors from a national perspective. The Federal Planning Factors are revised with new reauthorization. With the passage of SAFETEA-LU, the federal planning factors were expanded to eight (safety and security were split into separate planning factors). The eight planning factors (for both metro and statewide planning) are: (See Sample Matrix below which is applicable to both PEAs and/or the SAFETEA-LU Planning Factors.)

Sample Matrix for SAFETEA-LU Planning Factors or PEAs

SAFETEA-LU Planning Factors						
	Work Element 1	Work Element 2	Work Element 3	Work Element 4	Work Element 5	Work Element 6
1. Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency.	X	X			X	
2. Increase the safety of the transportation system for motorized and non-motorized users.		X		X		X
3. Increase the security of the transportation system for motorized and non-motorized users.	X		X		X	
4. Increase the accessibility and mobility of people and for freight.			X	X		
5. Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns.	X					X
6. Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight.			X		X	
7. Promote efficient system management and operation.		X				X
8. Emphasize the preservation of the existing transportation system.				X		

2.09 District Review of the Draft OWP

Regional planning staff in the Districts are the initial and primary points of contact for transportation planning between the Department and the MPO/RTPA. The draft OWPs are submitted to the Districts for review. District staff should:

- Review the draft OWP (primary reviewer)
- Identify compliance concerns (e.g. eligible uses, funding levels, etc)
- Prepare a transmittal memo identifying significant work elements and activities and route the draft OWP for review and comment to other units within the District and Headquarters, as appropriate
- Receive comments from the reviewing units, and prepare a comprehensive formal Department comment letter to the MPO/RTPA, with copies to the reviewing units and ORIP. District comment letters regarding MPO OWPs are also copied to FHWA/FTA

Development and adoption of the OWP is a lengthy procedure for MPOs/RTPAs. District Regional Planning staff should bear this in mind as they review, route and comment on draft OWPs. The District should forward *OWP Guidance* to the MPOs/RTPAs as early as possible and should send comment letters in a timely manner. Comment letters should be comprehensive (i.e. they should include the Department's comments). If the District does not incorporate a comment the commenter should be notified before the letter is distributed.

The District reviews draft OWPs with two different emphases: conceptual and technical. The conceptual evaluation focuses on the OWP as a whole to determine whether the activities accomplish the transportation planning goals of the region. The technical evaluation focuses on compliance.

The conceptual review considers whether the activities in the OWP:

- Respond to District concerns
- Consider regional mobility issues and requirements
- Represent an inclusive planning approach to address transportation in the region
- Contribute to implementation of the Regional Transportation Plan
- Include required products such as Regional Transportation Plans, Transportation Improvement Programs, air quality conformity, etc.
- Incorporate the applicable PEAs and the federal planning factors. If any of these are not included, the reason for *not* including any of them should be stated

The technical review of the OWP centers on points such as:

- Are funding amounts consistent throughout?
- Do the budget figures add up correctly?

- Are the activities eligible uses for the regional transportation planning funding sources? (See Section 4.02 for a listing of eligible uses.)
- Have federal match requirements been satisfied?
- Has progress made in the previous year's OWP been described?
- Do the task statements, project schedules, and costs seem realistic?
- Are all regional transportation planning contracts, and grants listed?
- Have Title VI, American with Disabilities Act and other compliance considerations been included?

MPO draft OWPs are also sent to the FHWA/FTA. The drafts may be sent by the MPO directly or through the District, as MPO/District preference and custom dictate, but it is the District's responsibility to make sure the draft is provided to FHWA/FTA.

FHWA requests an electronic version and one hard copy of each MPO's draft OWP. FTA, however, prefers an electronic copy of the MPO's draft OWP. Every effort should be made to provide an electronic version of the draft OWP to both the FHWA and FTA. (See the current *OWP Guidance* for contact names and addresses.)

District regional planners should find the OWP review checklist in the annual *OWP Guidance* a helpful review tool for both the draft and the final OWP (also see the OWP Development and Review Flowchart on page 2-25).

2.10 District Staff Circulate the Draft OWP

Once District staff receives the draft OWP from the MPO/RTPA, they circulate the draft OWP and solicit comments from ORIP and other affected units in the District and Headquarters. ORIP is always included, but the contents of the draft OWP will dictate which other units should participate in the review. ORIP requests one hard copy and one electronic copy of the draft OWP.

The OWP is a comprehensive document, and the regional transportation planning activities and projects within the work elements relate to, impact, and correlate with, projects, activities and responsibilities of various District and Headquarters units. Staff in affected units should be provided the opportunity to review and comment. The District's request for review and comment transmittal memo should clearly state what is expected from these reviewers, including:

- Specific work elements, activities and/or products should be referenced
- Relevant questions should be posed
- Related accomplishments should be cited
- Pertinent Department activities should be mentioned

Some District units to whom District staff might circulate the draft OWP are:

- Traffic Operations
- Systems Planning and/or Traffic Forecasting
- Local Assistance Engineers

- Project Management
- Community Planning
- IGR/CEQA Coordinators
- Title VI Liaison
- Transit/Public Transportation Planning

Headquarters units to whom District staff might circulate the draft OWP are:

- The Division of Transportation Planning
 - Office of Regional and Interagency Planning (**always!**)
 - Office of Goods Movement
 - Office of Community Planning
 - Office of Advanced and System Planning and Goods Movement
- Division of Aeronautics
- Division of Mass Transportation
- Any other affected Division

Note: Headquarters Local Assistance does not review draft OWPs. They do, however, request copies of Final OWPs.

For an updated circulation contact list please refer to the OWP Guidance.

It is critical that a thorough and comprehensive review of the draft OWP by all affected Department areas is completed. The District needs to communicate all the Department's substantive concerns during the OWP draft stage when issues may be more easily resolved. The District collects and is the repository for all Department comments and should send them in a single comment letter. The District should not piecemeal comments to the MPOs/RTPAs.

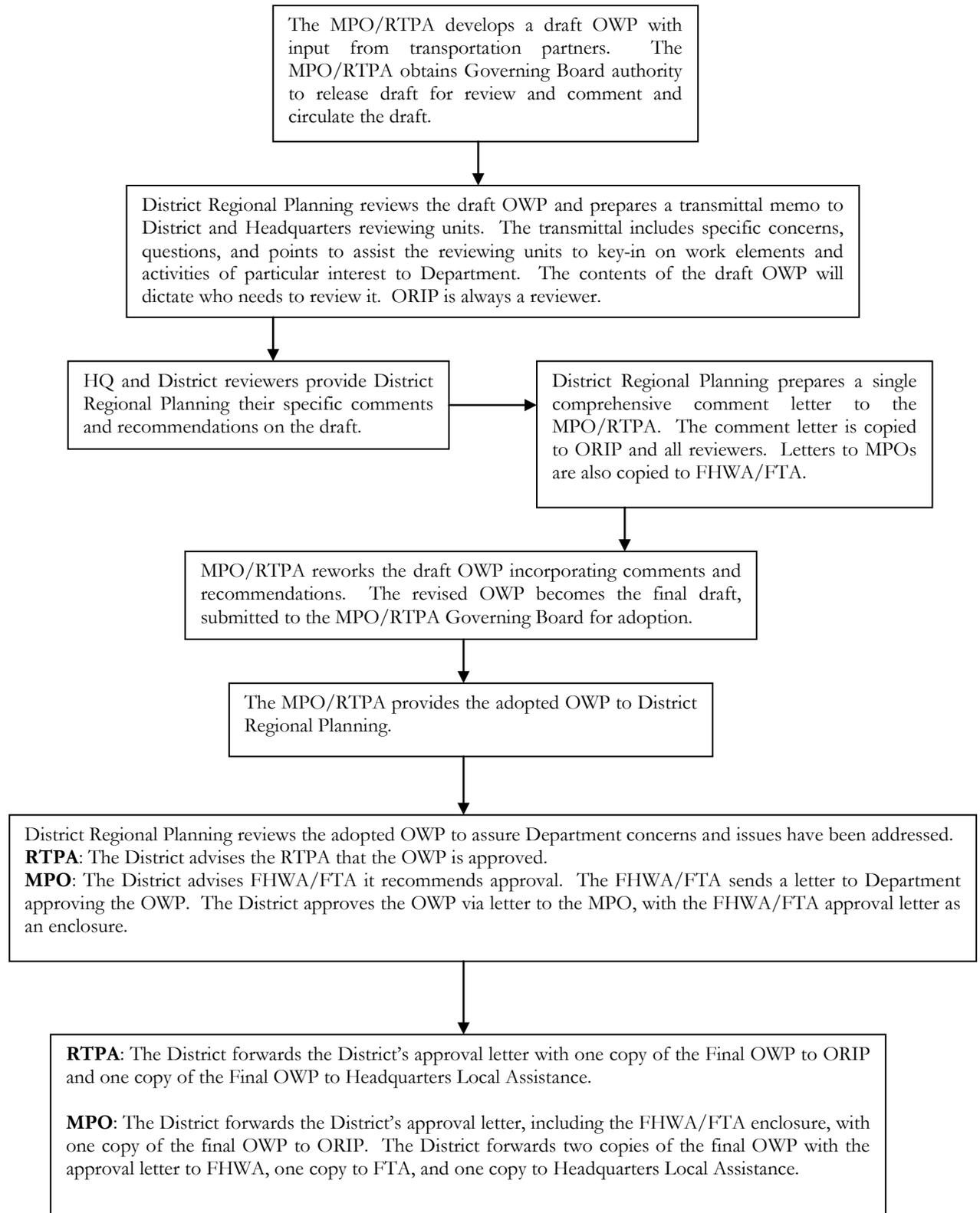
Obviously if major problems are discovered after the comment letter is sent to the RTPA/MPO, the District still needs to work with the MPO/RTPA to resolve them. However, after the OWP is adopted, making changes may be more costly and could delay OWP work.

2.11 The District Copies the Comment Letter to Reviewing Units and ORIP

The District coordinates its own comments with input received from District and Headquarters reviewing units in a comprehensive letter to the MPO/RTPA. The letter is copied to ORIP and to all reviewing units who provided comment. As the primary contact with the MPO/RTPA, the District determines (consistent with state and federal requirements) which comments will be included in the letter and which are better handled informally.

District staff provides the FHWA/FTA with copies of the comment letters. (See the current *OWP Guidance* for contact names and addresses.)

2.12 OWP Development and Review



2.13 Annual MPO Meetings

Between February and May of each year, the FHWA/FTA schedules interagency review meetings of the MPOs, formerly known as Intermodal Planning Group (IPG) meetings. In addition to FHWA/FTA, the MPO, the District, representatives from Headquarters, and other transportation partners often attend. The purpose of the meeting is to discuss transportation issues, trends, accomplishments, and any problems the MPO may be experiencing. The District should complete and distribute the OWP comment letter prior to the Annual MPO Meeting, and major concerns expressed in the letter should be discussed at the meeting with the District as the lead Caltrans representative. FHWA and FTA will manage the development of the meetings.

It is important that all attendees have time to review the OWP prior to the Annual MPO meeting. Both the next fiscal year's draft OWP and progress on the current fiscal year's OWP are included in the meeting discussion, for this reason, **MPO draft OWPs must be submitted to the District at least thirty days before the meeting**, or March 1, whichever is earlier. (See the current *OWP Guidance* at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html> for the latest draft schedule.)

2.14 Certifications and Reviews

MPOs that include an urbanized area of 200,000 persons or larger are referred to transportation management areas (TMAs). TMAs are subject to a federal certification review every four years.

The federal agency representatives review the TMA's self-certifications compliance with the laws listed in the FHWA/FTA certifications and assurances. (See Section 2.15 for more information.)

Although in the past the Annual MPO Meetings and certification meetings have been scheduled together, recently FHWA/FTA began to separate the two. The reason for splitting the two is to permit better focus at each, on OWP activities at the Annual MPO Meetings, and certification compliance at the certification review. Generally certification review meetings last approximately two to three days. Please see the OWP Guidance for the Certification Review Schedule.

Those MPOs that annually receive more than \$250,000 in FTA § 5303 funds must also submit their Equal Employment Opportunity (EEO) Program reports by September 30 every four years (2001, 2005, 2009, 2013 etc). The EEO Program reports are required per, and must comply with, the Urban Mass Transportation Administration (UMTA) Circular 4704.1. The reports should be submitted to the Districts, for review to ensure compliance with the UMTA Circular.

The Districts maintain copies of the reports for their files and submit the original to ORIP within two weeks after receipt from the MPOs. ORIP checks the reports and forwards them to FTA.

At present, only Southern California Association of Governments (SCAG), Metropolitan Transportation Commission (MTC), San Diego Association of Governments (SANDAG) and Sacramento Area Council of Governments (SACOG), Council of Fresno County Governments (COFCG), Association of Monterey Bay Area Governments (AMBAG), and the San Joaquin Council of Governments (SJCOG) receive more than \$250,000 in FTA § 5303 funds annually.

Copies of the circular may be obtained from ORIP and information about EEO reporting may be found at:

http://www.fta.dot.gov/legal/federal_register/2004/16290_17942_ENG_HTML.htm

2.15 Certifications and Assurances

By including the FHWA and FTA certifications and assurances in their final adopted OWP each year, MPOs certify their compliance with the federal laws listed on the certification, for example: the Civil Rights Act of 1964, the Americans with Disabilities Act, and others. MPOs/RTPAs are required to submit signed Federal and state certifications per the MFTA, Article I (D) and Article IV, Section 1. The federal certifications and assurances are published in the *Federal Register* and the latest versions are included in the MPO and RTPA version of the *OWP Guidance* prepared each year by ORIP.

District staff must carefully compare the certifications and assurances in the OWP. The legal citations may change from year to year and an inaccuracy of a few letters or numbers in the citation may have significant legal implications.

MPOs who receive both FHWA PL and FTA § 5303 each year must always include both FTA and FHWA certifications and assurances in their OWPs annually. FTA requires the “Federal FY – Certifications and Assurances for FTA Assistance” and both FTA and FHWA require the “Metropolitan Transportation Planning Process Certification.”

In addition to the FHWA and FTA certifications and assurances, MPOs must also submit the Debarment and Suspension certification and assurances form in their annual OWPs. Previously, the Debarment and Suspension certification was included in the FTA certification and assurances; however this clause was removed by FTA beginning in FY 2004/2005.

RTPAs that receive RPA funds must include the State Transportation Planning Process certification. RTPAs need to perform the following tasks as necessary: include the FHWA Metropolitan Transportation Planning Process Certification if they receive a FHWA State Planning and Research – Partnership Planning Element grant and/or a Regional Blueprint Planning Grant; provide the FTA certifications and assurances when they receive an FTA § 5304 grant; and provide Debarment and Suspensions certification

if they receive a FHWA Partnership Planning Element grant, FTA § 5304 grant, and/or a Regional Blueprint Planning Grant.

At the MPO/RTPA level, certifications must be executed by an individual who the Governing Board has delegated signature authority (usually the Executive Director or Finance Officer). The District Director or her/his delegate signs the certification for the Department. The FTA Certifications and Assurances also include an affirmation signed by the MPO's/RTPA's attorney-at-law.

The Civil Rights Restoration Act of 1987 clarified the intent of Congress to include all programs and activities of Federal-aid recipients, sub recipients and contractors, whether or not federal funding is used for the specific activity in question, (i.e. recipients of any federal funds are required to comply with non discrimination on the basis of race, color, national origin, sex, disability and age).

All RTPAs receive some federal funding, therefore RTPAs need to certify that their regional transportation planning efforts and processes comply with federal Civil Rights provisions.

Government Code Section 65080 stipulates regional transportation plans shall consider factors specified in Section 134 of Title 23 of United States Code (USC), and the plan shall be consistent with federal planning and programming requirements.

Please note: All Certifications and Assurances must be signed and forwarded to the HQ District Liaison in order for funds to be encumbered and repaid for that fiscal year.

All Certifications and Assurances can be found on ORIP's website at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

2.16 Approving the Final OWP

Prior to approving the OWP, District staff reviews the MPO/RTPA Governing Board-adopted Final OWP to assure that Department concerns have been adequately addressed. Headquarters staff provides comments to the District only for the draft OWP. The District is responsible for all subsequent monitoring of the OWP including the comparison and verification of changes the MPO/RTPA may make between the draft version of the OWP and the adopted Final OWP. The OWP *cannot* be approved if it contains questionable issues that do not meet federal regulations as outlined in the OWP Guidance Package.

The Final OWP should only include committed funds. The FHWA PL and RPA totals included in the *OWP Guidance* are deemed committed amounts even though totals may change after passage of the federal and state budgets, respectively.

RTPAs: The District is responsible for approving (or disapproving) the Final OWP. When the Department's issues have been resolved, the

District advises the RTPA in writing of the Department's approval of the Final OWP.

MPOs: The District is responsible for the Department's recommendation of approval (or disapproval) of the MPO's Final OWP once the Department's issues, including compliance with Title VI and related statutes, have been resolved. The District advises FHWA/FTA that the state *recommends* approval.

FHWA/FTA does not write its approval letter until after it has received approval recommendation notification from the District. The District's recommendation signifies to FHWA/FTA the Department's determination that the OWP complies with all of the Department's requirements, and that the District has completed a thorough review and is satisfied with the OWP.

FHWA/FTA approval only pertains to those aspects of the OWP, that they are responsible for reviewing, such as CPG funded work elements. Although their approval comes later in time, it is not a substitute for careful District review and does not supersede the District's ability to disapprove the OWP.

FHWA and FTA may prepare a joint reply or may send separate approval letters. Their approval may be addressed to the District with copies to the MPO or it may be addressed to the MPO with copies to the District. There is no statewide uniformity on this procedure. After the FHWA/FTA provides their written approval, the District advises the MPO in writing of the Department's approval of the Final OWP and encloses the FHWA/FTA approval letter. The FHWA and FTA MOU require that FTA send out the approval letter to the MPO and District.

After the OWP and the OWPA are finalized, the District transmits these to their ORIP liaison. An OWP/OWPA transmittal package includes the following:

- ✓ District OWP approval letter
- ✓ FHWA/FTA OWP approval letter (MPOs only)
- ✓ One copy of the adopted and approved OWP
- ✓ One original OWPA bearing (original) MPO/RTPA and District signatures in **blue** ink
- ✓ MPO letter indicating how much PL and/or FTA § 5303 carryover or a RTPA letter indicating how much RPA, if any, is included in the OWPA. (See Sections 3.07, 3.08, 4.03 for more information.)
- ✓ The MPO/RTPA Governing Board resolution (or equivalent i.e. board minutes) adopting the OWP
- ✓ Governing Board authority for MPO/RTPA staff to sign the OWPA

- ✓ Certifications and Assurances (FHWA, FTA, Debarment and Suspensions)

Although the Governing Board resolution adopting the OWP is very specific, the action authorizing staff signature of the OWPA may be more generic. If the Chair of the Governing Board signs the OWPA, no signature authority is required.

ORIP requests one hard copy of the final adopted and approved OWP.

2.17 ORIP Requests an Electronic Version of the Final Adopted and Approved OWP

In addition to a hardcopy of each final adopted and approved OWP, ORIP requests an electronic copy of the final OWP. Districts should obtain these from the MPOs/RTPAs and should e-mail them to their ORIP liaison.

2.18 Accomplishing the OWP

If ORIP has received the required documentation from the District, the ORIP Fund Specialist works with Accounting to encumber transportation planning funds for the MPO/RTPA. Periodically the MPO/RTPA seeks reimbursement through the District using the Request for Reimbursement (RFR) form for completed OWP work for which it has paid using local funds. (RFRs are discussed in Sections 4.06, 4.07, 4.08, and 4.09.) Beginning in FY 2004/2005, the Master Fund Transfer Agreement (MFTA) allows two options for seeking reimbursement defined in each MPO/RTPA MFTA Article II, Section 1.

Throughout the year, the District monitors completion of the MPO's/RTPA's OWP regional transportation planning activities and products. District staff maintains close communication with the MPO/RTPA as a member of advisory committees, task forces and working groups; by providing Department input for OWP activities and products; by attending meetings; by reviewing Governing Board agendas and actions; by commenting on draft documents; etc. District regional transportation planning staff also facilitates communication between various District and Headquarters units and the MPO/RTPA.

District regional planning keeps the MPO/RTPA informed about pertinent Department matters and it keeps the Department informed about pertinent MPO/RTPA matters.

2.19 OWP Amendments

It is critical that the OWP accurately reflects the transportation planning activities of the MPO/RTPA. If funding, schedules, work products, or other items change, the OWP must be revised to reflect these changes. The significance of the changes determines

whether this can be accomplished administratively or with a formal amendment (See 2.20 Administrative Amendments and 2.21 Formal Amendments for more information).

Amending the OWP requires many of the same steps as development and adoption of the original OWP. District Regional Planning staff should bear this in mind and work to approve OWP amendments in a timely manner.

The Department receives the official FHWA PL and FTA 5303 appropriation for the current year after passage of the federal budget, approximately October 1. Since OWPs follow the state fiscal year, many MPO OWPs and OWPAAs need to be amended to update FHWA PL amounts and activities (the state fiscal year begins July 1 and ends June 30, and the federal fiscal year begins October 1 and ends September 30).

After closeout of the prior year's OWP, the MPO/RTPA, the District and the ORIP Fund Specialist need to reconcile unexpended CPG formula fund and RPA carryover balances. After reconciliation, the affected MPOs/RTPAs may amend their OWPs to add-in unexpended carryover and the activities to be funded therewith. The OWPAAs **must** also be amended to agree with any carryover amended into the OWPs (See Sections 3.07, 4.02 and 4.09 for more information about unexpended carryover year-end closeout).

The RPA amounts in the *OWP Guidance* also are estimates. If there are substantial population changes in one or more counties, the RPA distribution may change, resulting in an increase or decrease in the amount of RPA a rural county receives. Also, the anticipated annual RPA funding is not committed until it is included in the State Budget, signed by the Governor.

FHWA PL, FTA 5303 and RPA estimates in the *OWP Guidance* are used for the Final OWP and the initial OWPA. If, after budget passage these estimates are too high or too low, the OWP and the OWPA need to be amended consistent with the different amount.

2.20 Administrative Amendments

An administrative amendment is accomplished unilaterally by the MPO/RTPA. These amendments involve insignificant changes that do not affect delivery of regional transportation planning tasks, activities, steps, products, etc. Examples of an administrative amendment are the correction of errata or moving of funds between work elements as long as there is no change in scope of work or increase or decrease in the total programmed amount.

There also may be changes to non-transportation planning work elements that do not affect transportation planning funds, activities and products. These may be considered administrative amendments so long as the changes do not result in a diversion of MPO/RTPA staff time or are a detriment to previously approved transportation planning activities and products.

A copy of all changes to the OWP, whether administrative or formal amendments need to be provided to the Districts, and to ORIP (via the Districts). Any changes to an MPO OWP need to be provided to FTA. While it is not required, ORIP suggests that the District check with the ORIP District Liaison regarding changes.

2.21 Formal Amendments

A formal amendment is required if there are substantive changes to work elements funded with CPG and/or RPA *or* if the changes (regardless of funding type) impact regional transportation planning activities. **The MPO/RTPA cannot change work activities, redirect funds, or initiate work prior to the District's approval, and if needed FTA/FHWA's approval, of an amendment per the MFTA Article 1 (K).**

Given the time and effort required to amend an OWP, the Districts should first consider if the MPO/RTPA needs to adopt a formal amendment to the OWP. If a formal amendment is required, an explanatory letter or memo and the affected pages, with the changes highlighted, would be sufficient documentation of the OWP files.

The Districts need to use some discretion to determine what triggers the need for a formal OWP amendment. If the activities and products in an existing work element prove to be more expensive than estimated, the MPO/RTPA, may add in local funding through an informal OWP amendment. This should be handled between the District and the MPO/RTPA. However, this does not mean the MPO/RTPA can move local match money from work element to work element without a formal OWP amendment.

The Quarterly Progress and Expenditure Report can be used to reflect insignificant schedule changes that affect work activities or products. However, if there are significant delays or deletion of some deliverables, a formal amendment is needed.

If an OWP amendment causes the information on the OWPA to be inaccurate, the OWPA must also be amended.

Some examples of changes that require a formal amendment:

- Increase/decrease in total CPG and/or RPA in the OWP
- Including carry-over from previous fiscal years
- New FHWA Partnership Planning, FTA 5304, or Regional Blueprint Grant awards

A change in scope means altering the broad purpose or objective of a work element. For FTA Section 5304 and FHWA State Planning and Research- Partnership Planning grants, a schedule change constitutes a change that requires amendment of both the OWP and the grant application.

Districts provide any and all amendments to ORIP and must have ORIP's concurrence prior to approving formal amendments

2.22 Formal Amendment Triggers that Require Federal and State Approval

The District has primary approval responsibility for informal amendments. All formal amendments that require federal approval should be sent to FTA who will consult with FHWA. Amendments should be made available to FHWA upon request of the FHWA MPO Coordinator. Formal amendments require ORIP concurrence before they are sent to FTA for approval.

A thirty percent (30%) increase or decrease of CPG in an MPO's OWP (either 30% in one change, or cumulatively through several smaller changes) triggers the requirement for FHWA and FTA amendment approval. The District should not sign the OWPA until they have received federal approval of the amendment. FTA request copies of *all* changes to an MPO's OWP. (See the current *OWP Guidance* for contacts and addresses.)

Change in scope-of-work, or addition/deletion of work elements and projects funded with CPG require ORIP concurrence along with FHWA and FTA amendment approval. A redirection of CPG, or local match among work elements requires ORIP concurrence. Changes-in-scope are discouraged for CPG discretionary grants because they are competitively awarded. Reduction in scope-of-work or addition of work elements and projects funded with RPA requires ORIP's concurrence.

Offices whose concurrence is required for an OWP amendment are encouraged to respond expeditiously, via e-mail if possible.

For more information on formal amendment requirements please see FTA Circular 5010.1 D Exhibit I-1: A Summary of Planning, Capital and Operating Grant Changes:

http://www.fta.dot.gov/laws/circulars/leg_reg_4114.html

2.23 Approving an Amendment

The steps for approving an amendment are similar to those for approving the OWP: after Governing Board authorization, the MPO/RTPA provides the District with an amendment. The District reviews it and determines whether it is an administrative or formal amendment. At any time during the amendment review the District may request additional documentation/information from the MPOs/RTPAs in accordance with the MFTA. If other District or Headquarters units are affected by the amendment, it is shared with them. Amendments are always provided to the ORIP District Liaison.

Transportation planning activities cannot be added, deleted, or changed, and activities *affecting* delivery of transportation planning cannot be changed. The CPG/RPA or local match cannot be added/deleted or redirected among work elements until the District

approves the OWP amendment. Formal amendments may require FTA/FHWA approval.

If federal approval is not needed, the OWP amendment is considered approved the date the Deputy District Director signs a completed OWPA. See Section 2.23 for more information.

2.24 The District Provides ORIP All Amendment Information

Both the District and ORIP need to have current and accurate copies of the OWPs that reflect all changes, whether they are considered correction of errata, administrative, or formal amendments. The District always provides the ORIP liaison with the most current OWP and OWPA. FTA also request copies of all changes to MPO OWPs.

An OWP amendment package includes a transmittal memo, which briefly explains the amendment, and all *affected* pages of the OWP attached (e.g. revised work element pages, a revised Budget Revenue Summary, and a resolution or minutes from the MPO/RTPA Board approving the amendment). If there are CPG and/or RPA changes, the package must include an amended, fully executed, original OWPA (signed in **blue** ink to more easily distinguish original signature from photocopies).

The above are needed to keep the funding contract components current and accurate, to inform ORIP about regional planning activities, to accurately track funds in the MPO's/RTPA's account, and, as applicable, for federal oversight and review.

2.25 The Deadline for OWP Amendments is May 1

The deadline for amending the current fiscal year's OWP is May 1. The amendment package must be received in the District and in ORIP by this date.

This deadline is established to allow time to encumber additional funds, if applicable, to process Requests for Reimbursements (RFRs) and to allow the MPO/RTPA sufficient time to complete all work during the current state fiscal year funding cycle.

In *extraordinary and compelling* instances and *on a case-by-case basis*, requests for extension of the May 1 deadline *may* be considered by ORIP. **There is no assurance deadline extensions will be granted.**

A complete Request for Extension package from the District to ORIP consists of an explanatory memo with attachments documenting the request.

The memo includes:

- A summary and analysis of the proposed change(s)
- An explanation of the special circumstances of the extension request
- A statement of the consequences of *not* granting the extension

- An assurance the work can be completed and funds expended by June 30
- The District's recommendation to approve or deny

The required attachments to the District's memo include:

- The revised OWP work element(s), and as applicable, Budget Revenue Summary
- Authority from the MPO's/RTPA's Board to make the changes
- Evidence of concurrence, as applicable

Due to the time required for Accounting to redirect funds (which may involve the State Controller), amendments which involve an OWPA amendment, will *almost never* be considered after May 1. However, should a Request for Extension involve an amendment of the OWPA, an amended, fully executed, original OWPA also needs to be among the memo attachments.

2.26 Monitoring Progress

After the OWP is approved and the CPG/RPA funds are encumbered, the District is responsible for monitoring progress of the OWP through:

- Participation on technical advisory committees and working groups, in meeting attendance, and other direct interaction with the MPO/RTPA
- Review and circulation of any draft products (e.g., working papers, reports, tools, etc.)
- Review of Quarterly Progress and Expenditure Reports, including receipt and review of any completed products
- Conducting Mid-year Reviews, and/or participating in MPO annual meetings and certification reviews
- Review for accuracy of Requests for Reimbursement including the supporting financial materials

Note: There can be no reimbursement of RPA and/or CPG funds prior to:

- (1) Adoption and approval of the OWP**
- (2) Submittal of a complete and fully executed OWPA, board resolution and all certifications and assurances to ORIP *and***
- (3) Adoption of the State Budget**

The District works closely with the MPO/RTPA to assure that activities are being completed on schedule, reimbursed work is accurately charged, and reimbursement is occurring timely. If there appear to be problems, the District provides immediate assistance.

If the delays with one work element are so significant that the MPO/RTPA anticipates rescoping the activity or postponing activities to the next state fiscal year, the funding from the delayed work element may need to be redirected. If a work element is progressing well, but is more costly than anticipated, funds from the delayed work

element may be freed up and used for an underfunded work element. This requires an OWP amendment and District approval of the amendment *before* activities are changed and funds redirected.

2.27 Quarterly Progress and Expenditure Reports

To assure effective communication of OWP progress and to provide opportunity for timely intervention by the District, if needed, the MPO/RTPA is required to submit a Quarterly Progress and Expenditure Report within 30 days after the end of each quarter (23 CFR 420.117 and MFTA Article I, Section 2). These Reports are submitted to the District, which provides copies to ORIP. Caltrans may withhold payment of a RFR submittal pending the submission of the required documentation per the MFTA, Article 2 (B).

The quarterly report describes work progress (or delays in work) and invoicing during the quarter to accomplish the OWP. The Reports are due to the Districts within 30 days after the end of each quarter of the state fiscal year:

- 1st quarter = Reports covering July 1 through September 30 are due October 31.
- 2nd quarter = Reports covering October 1 through December 31 are due January 31.
- 3rd quarter = Reports covering January 1 through March 31 are due April 30.
- 4th quarter = Reports covering April 1 through June 30 are due July 31.

The District forwards copies to ORIP within 2 weeks after the above due dates.

The District's transmittal memo to ORIP of the MPOs/RTPAs Quarterly Progress and Expenditure Report should highlight key aspects, particularly any fiscal and/or progress problems and approval of the report.

Originally in two components (a narrative and a spreadsheet format), the quarterly report has been combined into a single spreadsheet format, the Quarterly Progress and Expenditures Report. This report only needs to address regional transportation planning related activities and work elements funded with CPG and/or RPA.

The spreadsheet includes the opportunity for brief comments to reference MPO/RTPA accomplishments and/or problems for the quarter. If work is not progressing on schedule, this should be stated and new target dates should be provided; either the date when activities will be back on schedule or new anticipated completion dates.

MPOs/RTPAs are strongly encouraged to continue to prepare a more comprehensive narrative quarterly report. Narratives provide a convenient overview and summary of work progress for Governing Boards, transportation planning partners, members of the public, and others.

The Quarterly Progress and Expenditure Report spreadsheet includes, for example:

- The work element by number and title
- Work progress, schedule slippages, etc.
- A list of tasks and products completed during the quarter
- Total funds budgeted and spent for the work element by funding source and type, year-to-date expenditures of all planning funds, indirect costs, local match, etc.
- Total RPA and/or CPG expended during the quarter
- The local match dollar amount and its identification as funds or in-kind services

The quarterly reports keep the District regional transportation planner and the District's ORIP liaison current with OWP progress. If OWP activities are off schedule, it may be appropriate to amend the OWP to reflect the new schedule. If CPG and/or RPA funds are to be redirected, or if funding changes impact regional transportation planning activities, an amendment is required. The District may also request additional documentation/information from the MPO/RTPA when they are reviewing Quarterly Progress and Expenditure Reports. Per the MFTA, Article 1-Program Administration, Section 2-Quarterly Progress Reports, the District reserves the right to deem the Quarterly Progress and Expenditure Report incomplete if it does not sufficiently document the required information and may withhold payment of Request for Reimbursements (RFRs) pending the submission of required documentation.

After the end of each fiscal year, the District submits the MPO's quarterly reports for the year to the FHWA/FTA. (See the *OWP Guidance* for current contacts and addresses.)

Some MPOs prefer to submit quarterly and/or end of year reports directly to FHWA/FTA, with copies to the District. In this case, it remains the District's responsibility to assure quarterly reporting is occurring, to review such reports, and to provide copies to ORIP.

The District also obtains and reviews copies of end products funded with CPG. The District makes these available to ORIP and/or FHWA/FTA upon request.

The District also obtains and reviews copies of end products funded with RPA. These are provided to ORIP, but are not forwarded to FHWA/FTA.

The Appendix E includes sample MPO and RTPA Quarterly Progress and Expenditures Reports.

2.28 Mid-Year Reviews

The District should schedule a Mid-Year review meeting with the MPO/RTPA to review OWP progress after the end of the 2nd quarter. The Mid-Year review should address the MPOs/RTPAs accomplishments, issues, changes, etc. that have taken place in the first half of the State fiscal year. As appropriate, the Mid-Year review may be

conducted less formally, e.g., as part of another meeting, on the telephone, etc. A summary of the Mid-Year review should be included in the Districts' 3rd Quarter transmittal memo to the ORIP District Liaison.

3 THE CONSOLIDATED PLANNING GRANT (CPG)

In 1997, FHWA/FTA instituted a transportation planning funds process called the Consolidated Planning Grant (CPG). As per the Common Rule (Title 49 Code of Federal Regulations, Part 18), state procedures apply unless they are less restrictive than federal procedures. In the latter instance, federal requirements prevail. California's implementation of CPG is per the procedures described in this Handbook and in the MPO version of the annual *OWP Guidance*.

In California, the four CPG fund sources and types are:

- FHWA Metropolitan Planning (FHWA PL)
- FTA Metropolitan Planning, Section 5303 (FTA § 5303)
- FHWA State Planning and Research -- Partnership Planning Element
- FTA State Planning and Research, Section (FTA § 5304)

FHWA PL is set aside, not to exceed 1.25% of a state's authorized funds, to be appropriated, after deductions, as per Section 104, Title 23 USC (also see § 420.103, Title 49 CFR). California's share of FHWA PL totaled approximately \$47 million in 2010/2011. Annual estimates can be found in the OWP Guidance packages for MPOs and RTPAs.

FTA § 5303 annual authorized appropriations are set forth-in Section 5338, Title 49 USC. California's share of FTA § 5303 totaled approximately \$14 million in 2010/2011.

FHWA and FTA State Planning and Research grant funds are available as set forth in Section 307(c)(1), Title 23 USC, and Section 5338, Title 49 USC. In 2009/2010, California's share totaled approximately \$1,000,000 for FHWA State Planning and Research – Partnership Planning Element and approximately \$2.3 million for FTA §5304.

There are some key differences among these four components:

- FHWA PL and FTA § 5303 are allocated to MPOs, per formula, from the annual federal apportionment to California. Non-MPO RTPAs do not receive these funds.
- The two discretionary grants - FHWA Partnership Planning Element and FTA §5304 - must be applied for annually and are competitively awarded. RTPAs and MPOs may apply.
- FHWA and FTA funds are administered on different time lines. Around October 1, with the federal budget, FHWA funds are appropriated and apportioned for the current federal fiscal year, and FTA funds are appropriated for the following federal fiscal year.

- FHWA PL and FTA § 5303 may be carried over from year-to-year.
- FTA § 5304 and FHWA State Planning and Research – Planning Partnership Element may be carried over, but must be expended within three years (one year to encumber, plus two years to liquidate), consistent with the grant application representations, and as shown in the OWP work elements.

Each year, ORIP solicits applications for FHWA State Planning and Research – Partnership Planning Element and FTA § 5304 discretionary grants through request for grant applications. The grant application package provides more specific information about these grants, filing procedures and deadlines, rating criteria, etc. (For more information go to: <http://www.dot.ca.gov/hq/tpp/offices/orip/grants.htm>)

3.01 FHWA PL Metropolitan Planning and FTA § 5303

MPOs receive FHWA PL and FTA § 5303 funds each year to develop transportation plans and programs. All MPOs receive FHWA PL funds and all MPOs with an urbanized area receive FTA § 5303 funds each year. TMPO is the only MPO, that does not currently receive FTA § 5303 funds.

The percentage of the California apportionment of FHWA PL and FTA § 5303 each MPO receives is determined by a formula agreed to by the MPOs, Department, and FHWA/FTA.

The FHWA PL formula has three components:

- (1) A base allocation
- (2) A two-part population component which distributes funds by the proportion of the total population of each MPO based on California Department of Finance estimates each January
- (3) An air quality component based on the proportion of federal Congestion Mitigation Air Quality (CMAQ) funds to total programmatic FHWA PL funds

The FTA § 5303 formula has two components:

- (1) A base allocation
- (2) A population component, which distributes funds according to the MPO's percentage of statewide urbanized area population as of the most recent decennial census.

The FHWA PL formula refers to *total* population, but the FTA § 5303 formula refers to *urbanized area* population. Also, the FHWA PL population number is adjusted annually, but the FTA § 5303 population number is only adjusted after each decennial census.

Per Title 23 U.S.C. § 104 (f), an amount not to exceed 1.25% of funds authorized to be appropriated for expenditure upon programs (less authorized deductions as per § 104(a)) is set aside for metropolitan planning, i.e. FHWA PL.

Per Title 49 U.S.C. § 5338 (c), (h), and (i) amounts authorized for FTA § 5303, and 5304 are set forth by year.

3.02 FHWA State Planning and Research – Partnership Planning Element

Any MPO/RTPA may compete for FHWA State Planning and Research – Partnership Planning Element and are for the MPOs/RTPAs to perform and fund transportation planning studies having statewide benefit and/or multi-regional significance.

The anticipated benefits of the proposal must result in improvements to the statewide or regional transportation system. These benefits include: (1) strengthen the economy, promote equity, protect the environment, and promote public health and safety in the state; (2) improved public involvement and consensus efforts including government-to-government relations; (3) enhanced ability to plan or operate, collect data on, and provide information about the State, regional or local transportation systems; and, (4) improved ability to plan and implement transportation services, systems and projects that improves mobility across the State.

Grant Specific Objectives:

- Project is a transportation planning study having statewide benefit and/or multi-regional significance and both jointly performed by MPOs, RTPAs, and Caltrans
- The project must result in improvements to the State or regional transportation system
- The project should demonstrate how it considers and/or affects jobs housing balance, land use, population growth and distribution, development, and the conservation of natural resources
- Results in improvements to public involvement and consensus efforts including government-to-government relations

Please visit the DOTP grants website for more information:

<http://www.dot.ca.gov/hq/tpp/grants.html>

3.03 FTA § 5304 Transit Planning Grants

MPOs/RTPAs may compete for FTA § 5304 transit planning grants, on their own behalf or on behalf of one or more subrecipients. Examples of subrecipients are transit operators, public agencies, private non-profit or community based organizations, universities, training institutes, and Native American Tribal Governments.

There are three FTA § 5304 components:

- Statewide or Urban Transit Planning
- Rural or Small Urban Transit Planning

- Transit Planning Student Internships

Statewide or Urban Transit Planning Grants fund the preparation of public transit and/or intermodal transportation planning efforts in rural areas.

Rural or Small Urban Transit Planning Grants fund transit issue studies of statewide or multi-regional significance to reduce urban congestion through transit, and/or improved transit service.

Transit Planning Student Internships Grants fund training for transit planning professionals and student interns using public or private training entities (not MPO/RTPA or transit agency in-house staff) with public transportation expertise.

3.04 Regional Blueprint Planning Program

MPOs and rural RTPAs that are not within an MPO boundary may compete for a Regional Blueprint Planning Grant when funds are available for either or both. The Regional Blueprint Planning Program is a voluntary, competitive grant program that will initiate or augment existing efforts of MPOs and their Councils of Government (COGs), and rural RTPAs to conduct comprehensive scenario planning that results in consensus by regional leaders, local governments and stakeholders on a preferred growth scenario – or “blueprint” – to achieve the objectives delineated below for a twenty-year (or longer) planning horizon. The Program provides funds for regional collaborative decision-making and adoption of blueprint plans that will achieve performance outcomes to:

Foster more efficient land use patterns that (a) support improved mobility and reduced dependency on single-occupant vehicle trips, (b) accommodate an adequate supply of housing for all incomes, (c) reduce impacts on valuable habitat, productive farmland, and air quality, (d) increase resource use efficiency, (e) promote a prosperous economy, and (f) result in safe and vibrant neighborhoods.

The California Regional Blueprint Planning Program is sponsored by the California Business, Transportation and Housing Agency, the California Departments of Transportation and Housing and Community Development and the Governor’s Office of Planning and Research.

Please visit the Regional Blueprint Planning Program website for more information:

<http://calblueprint.dot.ca.gov/>

3.05 California’s Implementation of the CPG

Implementation of the CPG in California is described in this Handbook and in the annual MPO version of the *OWP Guidance*. These are the references the Districts should use and should share with the MPOs. Both are posted on the ORIP website:

<http://www.dot.ca.gov/hq/tpp/offices/orip/index.html>

Rather than each MPO and any RTPA recipient of a CPG discretionary grant applying individually to FHWA and to FTA, the Department makes application for all of California. Additionally, through Headquarters Accounting, ORIP annually establishes CPG Project IDs.

Districts no longer need to obligate/deobligate funds each fiscal year and ORIP has standardized Request for Reimbursement (RFR) and other procedures. The transfer of CPG funds is accomplished through a single Master Fund Transfer Agreement between Department and each MPO/RTPA rather than several source-specific fund transfer agreements.

To satisfy federal Intergovernmental Review, Presidential Executive Order 12372, ORIP now files Office of Management and Budget Forms STD 424 with the State Clearinghouses on behalf of all MPOs/RTPAs.

3.06 Local (Non-Federal) Match

Like most other federal funding sources, CPG requires recipients to fund a portion of the total grant using non-federal funds, or “local match”, per the MFTA, Article I (J). RPA does not require any local match because it is state funded rather than federally. The table below lists the non-federal match funds for each fund type:

Fund Type	FHWA PL	FTA § 5303	FTA § 5304	FHWA State Planning and Research	
				Partnership Planning Element	Regional Blueprint Planning Grant
Federal Grant	88.53%	88.53%	88.53%	80.00%	80.00%
Local Match	11.47%	11.47%	11.47%	20.00%	20.00%

“Minimum Local Match” refers to the percentage of non-federal fund contribution required by a specific grant program. However, “Mandatory Local Match” as shown on the Overall Work Program Agreement (OWPA) form refers to the total amount of the non-federal fund contribution, including both cash and in-kind contributions. The mandatory (or total) amount of the local match must be shown on the Overall Work Program Agreement (OWPA). In most cases mandatory and minimum local match are the same. However, when an MPO/RTPA overmatches that fund type, the overmatch should be shown on the OWPA.

Upon incorporation of an approved federal grant application as a Work Element in the OWP, the local match amount must be consistent as shown in the Grant Application, the OWP Work Element page, the Budget Summary table, and the OWPA.

Local match calculation considerations:

The local match is a percentage of the total sum of the federal participation amount *plus* the required non-federal participation amount. It is not only a percentage of the federal participation amount.

Assuming an 88.53% federal match rate, the total grant amount (including federal and local funds) multiplied by 88.53% will equal federal participation amount. If this amount is subtracted from the total grant amount, the local match amount can be determined.

For example, a grant with a total amount of \$100, $88.53\% \times \$100 = \88.53 (federal fund amount)

This quotient (\$88.53) can then be subtracted from the total grant amount (\$100) to find the local match amount. $\$100 - \$88.53 = \$11.47$

Per state policy, the match is calculated work element-by-work element. It is not a percentage of total federal funds in the OWP.

Each work element in the OWP, the OWP Budget Revenue Summary, and each RFR must reflect the mandatory local match by work element. Including more than the mandatory minimum local match in one work element (sometimes called “overmatching”) cannot be “balanced” with less than the mandatory local match in a different work element (sometimes called “undermatching”).

Local match, like other sources in the OWP cannot be redirected among work elements without amending the OWP, and as appropriate also the OWPA. (See Sections 2.20, 2.21, 2.22, 2.23 and 2.24 for information regarding OWP amendments.)

If more than one federal source is among a work element’s funding sources, local match must be calculated for each federal source and type.

If a work element includes Partnership Planning Element (80% federal participation and 20% local share) and FHWA PL funds (88.53% federal participation and 11.47% local share), the funds must be calculated separately.

FHWA PL

$\$100$ total grant \times 88.53% (federal participation) = \$88.53

Subtract federal participation (\$88.53) from total grant amount (\$100) = \$11.47 (the mandatory local match)

Partnership Planning Element:

$\$100$ total grant \times 80% (federal participation) = \$80

Subtract federal participation (\$80) from total grant amount (\$100) = \$20 (the mandatory local match)

Each work element entry on an RFR must show at least the mandatory local match amount and match source. A higher match amount (overmatch) on one RFR cannot compensate for a lower match (under match) on a previous or subsequent RFR.

The ORIP Fund Specialist can provide an excel spreadsheet with preset calculations to assist Districts and MPOs/RTPAs to accurately compute local match.

In the instance of “in-kind” or “soft-match” local participation, the District needs to verify such services are not funded with a different federal funding source and such services are not also inadvertently charged as Indirect Costs. The MPO/RTPA needs to provide solid supporting documentation when “in-kind” is used as the local match. (Section 4.04 provides more information about Indirect Costs.)

If federal sources are used to fund consultant contracts, a “hard” match, i.e. non-federal funds, is preferred. If “in-kind” match is to be used, the District needs to carefully review the in-kind services match to assure it:

1. Was funded with non-federal funds (e.g., with Planning Programming and Monitoring (PPM), local sales tax measure, etc.), and
2. Adds some benefit to the consultant contract, i.e. makes it better or less expensive. For example, a local agency could provide data the consultant will not need to be paid to collect.

It is extremely important to note that, local match funds for the CPG cannot come from other federal sources. The local match must consist of either state and/or local funding sources. District staff will be primarily responsible for monitoring local match sources via reviewing all of the MPOs Requests for Reimbursement (RFRs) and support documentation.

MPOs will also submit a detailed breakdown of their fund source(s) for local match to the CPG funds they expended. In doing so, the support documentation will now demonstrate the source of the local match funds, rather than the fund solely be labeled “local match”. These changes can be seen in the new sample support documentation in Appendix F.

The OWPA and RFR forms now contain a clause that each MPO must sign off on that certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.

3.06a In-kind Local (Non-Federal) Match

Federal participation may also be matched with services, i.e. work performed that benefits the project, provided it is not funded with federal funds. This is called “in-kind” or “soft match”. Some examples of in-kind match are the value of community advisory committee members’ services, the value of volunteer services, and the value of services

provided to a specific MPO/RTPA planning work activity by a subregional agency, or city or county staff.

The use of in-kind match carries further requirements. It is necessary to obtain additional documentation to ensure compliance with the federal regulations. All in-kind match must be verifiable from records, and must show how the value was derived. For example, if a transit agency's staff time is counted as in-kind match, the District should obtain information on the applicable staff's hourly wage and the total hours to be worked. This should be verified during every invoicing period by a printout from the agency's accounting system that shows that the staff costs have been paid.

In-kind match must be identified in the original work program or grant agreement and all subsequent amendments. The agency providing those goods or services must also agree to their use as local match and the use of in-kind contributions must be approved by the FWHA division administrator. This approval can be assumed upon FWHA approval of the Overall Work Program.

In the instance of in-kind local participation, the District must verify such goods or services are not funded with a different federal funding source. To ensure that this provision is met, the District should ask the lead agency to identify the funding source for in-kind match on the grant application or OWP, or gain reasonable assurance that it is not federally derived (such as a letter).

In addition, the OWPA and RFR forms now contain a clause that each MPO must sign off on that certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.

The district should always inquire about the nature of in-kind services. Some in-kind contributions are for goods and services that would be indirect in nature if paid for by the MPO/RTPA. An agency can only receive matching credit for in-kind indirect services if the grantee or subgrantee has established an indirect cost rate and a special rate for allocating the value of its contributions to specific projects. All other expenditures of in-kind match must be for tasks that would otherwise be eligible for CPG reimbursement.

If in-kind match is to be used to fund consultant contracts, the District must carefully review the contribution to assure that it:

1. Was funded with non-federal funds (e.g., with Planning Programming and Monitoring (PPM), local sales tax measure, etc.), and
2. Adds some benefit to the consultant contract by increasing the services provided, or resulting in a cost savings. For example, a local agency could provide data the consultant will not need to be paid to collect.

All in-kind contributions must fund allowable costs and must be performed in the period (quarter) to which the work applies. A local agency cannot perform work at the beginning of a grant project and apply it as in-kind match to all future reporting periods.

In such cases, the grantee will be asked to provide another match source for the federal expenditures per work period.

For more information on in-kind match please reference 23 CFR 18.24, and 23 CFR 420.119.

3.06b Use of Toll Credits for Local Match

Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned on existing toll facilities. The usage of toll credits permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. By using toll credits to substitute for the required nonfederal share on a new Federal-aid project, the Federal share can effectively be increased to 100 percent. Caltrans is participating in a two year toll credit pilot program beginning in state FY 2010-2011. It is unknown at this time if the toll credit program will be extended beyond the end of state FY 2011-12. ORIP will notify MPOs if the program will be extended.

Starting with state FY 2011-12, MPOs can begin to use toll credits in lieu of local match for planning activities funded with FHWA PL and FTA 5303 funds in their OWP's. Toll credits can only be used as match for the current year allocation for each of these two fund types. Toll credits cannot be used for matching carryover funds programmed in the FY 2011-12 OWP.

In order for MPOs to use toll credits in lieu of required local match, MPOs need to ensure the following guidelines are met starting with the FY 2011-12 OWP and corresponding RFR's and quarterly reports.

- Identification of the amount of toll credits used for each OWP work element. In each work element, toll credits will need to be shown by fund source. If a work element includes both FHWA PL and FTA 5303 funds, then toll credits will need to be shown separately for each of the two federal fund sources.
- Within each work element, an obvious separation of FHWA PL and FTA 5303 programmed carryover from the FHWA/FTA 5303 toll-credit matched funds.

Please note: Toll Credits are not a form of cash or revenue. They are simply credits that can be used as a substitution for local matching funds. When Toll Credits are used as match to fund a work task item or element, the MPO should ensure that enough federal, state or local funds are documented and programmed to ensure enough revenue is available to fund the work element.

The sample work element budget sheet demonstrates, at a minimum, what the MPO will need to show in the OWP work element budget if they choose to utilize toll credits to match FHWA PL and FTA 5303 funds including making sure the toll credits are not shown as a source of revenue.

When reviewing OWPs, District staff should ensure that the MPO has properly identified the use of toll credits with appropriate and eligible fund sources. The ORIP Fund Specialist will track and report the use of toll credits by MPOs for FHWA.

Appendix Z includes the original Toll Credit Letter and Sample Work Element Budget Sheet and follow up clarification letter.

3.07 Unexpended Carryover

A MPO may use unexpended FHWA PL and FTA § 5303 funds in a future fiscal year provided the following are met:

- The MPO has submitted a Certification of Expenditure by Fund Source, including the Final Statement of Expenditures, within sixty days after the end of every state fiscal year and executed by an individual to whom the Governing Board has designated signature authority (usually the Executive Director or Finance Officer.)

and

- The District, MPO and the ORIP Fund Specialist have reconciled the unexpended FHWA PL and/or FTA § 5303 balances at the end of each fiscal year via a signed reconciliation letter.

CPG carryover amounts and the work to be accomplished with the funds should be included in the Final OWP; however FHWA PL or FTA § 5303 programmed in the current OWP cannot be included in the next year's Final OWP and OWPA until after balance reconciliation. After closeout of the current year's OWP and balance reconciliation, the MPO may amend some or all of these amounts, and the activities to be funded therewith, into the OWP and the OWPA. (See Section 4.09 for more information about Closeout.)

If an MPO has FHWA PL or FTA § 5303 funds not programmed in the current OWP, such amounts may be included in the next year's Final OWP. The OWPA cannot include separate current year and carryover entry lines. The combined total of the current year's amount plus any carryover amount must be entered on the respective CPG fund source and type line. Along with the OWPA, the MPO/RTPA must provide an explanatory letter or memo specifying:

- Current year amounts
- Carryover amounts by CPG fund source, type, and allocation year

Both the original fully executed OWPA (signed in **blue** ink to more easily distinguish original signatures from photocopies) and the executed original of the MPO/RTPA explanatory memo or letter are filed with the ORIP Fund Specialist.

Starting July 1, 2009, the same process applies to RTPAs who desire to carry over RPA funds from one year to the next. No more than 25% of the RTPAs yearly RPA allocation can be carried over into the next fiscal year.

The same reconciliation process does not apply to the FHWA Partnership Planning, FHWA Blueprint Planning, and FTA 5304 grants. These discretionary grant funds can be programmed in the next FY OWP/OWPA without closeout of the previous year OWP/reconciliation. This is to allow a continuation for time sensitive grants. Once a final invoice is submitted each grants' final carryover amount will need to be amended into the next FY OWP/OWPA.

CPG and RPA Certification by Expenditure Forms can be found on ORIP's website at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

3.08 Reconciliation of CPG Carryover Balances

After the MPO has submitted its Year-end Package, the ORIP Fund Specialist reconciles the MPO's remaining balances of prior years' FHWA PL and FTA § 5303. ORIP then prepares a balance reconciliation letter. If there is a disagreement about the balance, the ORIP Fund Specialist, the District, and the MPO will work together until they achieve balance reconciliation (See Section 4.09 for more information about Year-end Packages.). Completion of the reconciliation letters are based on the Final Allocations being posted in the Federal Register. The completion of the reconciliation letters may also vary from agency to agency due to unapproved Indirect Cost Allocation Plans (ICAPs).

The reconciliation letter is signed by the ORIP Office Chief, the MPO and the District Planning Deputy Director to demonstrate concurrence of all involved parties.

After balance reconciliation, the MPO may amend its OWP to include some or all of this FHWA PL and/or FTA § 5303 carryover and the activities to be funded therewith. The OWPA must be amended accordingly, including the required local match.

Carryover FHWA PL and FTA § 5303 funds do not have an expiration date.

3.09 Reconciliation of RPA Carryover Balances

Reconciliation of RPA fund carryover balances will occur in the same manner as FHWA PL and FTA § 5303 reconciliation. After the RTPA has submitted its Year-end Package, the ORIP Fund Specialist reconciles the RTPA's remaining balance of prior years' RPA funds. ORIP then prepares a balance reconciliation letter. Should there be any disagreement about the balance, the ORIP Fund Specialist, the District, and the RTPA will work together until they achieve balance reconciliation. (See Section 4.08 for more information of Year-end Packages).

Signed by the ORIP Office Chief, the RTPA and the District Planning Deputy Director, the RPA reconciliation letter demonstrates concurrence of all involved parties.

After balance reconciliation, the RTPA may amend its OWP/OWPA to include some or all of this RPA carryover and the activities to be funded therewith.

RPA carryover funds expire at the end of the year in which they were carried over into.

4 ORIP-ADMINISTERED TRANSPORTATION PLANNING FUNDS

Of the various local, state and federal fund sources and types included in OWPs, this Handbook only addresses administration of federal Consolidated Planning Grant (CPG) and state Rural Planning Assistance (RPA). (See Chapter 3 for more information about CPG and Section 4.03 for more information about RPA.) ORIP also administers and monitors the following grant funds: Blueprint Planning Grant, FHWA State Planning and Research – Partnership Planning Element Grant and the FTA State Planning and Research, Section 5304 Grant. (See Chapter 3 and 5 for more information about the FHWA, FTA, Blueprint Planning and Prop 84 grants.)

4.01 Non-ORIP-Administered Transportation Planning Funds

Non-ORIP administered transportation planning funds are not covered by the regional transportation planning MFTA and the OWPA and their application and encumbrance procedures are not addressed in this Handbook. More information is available at the listed websites:

The Division of Transportation Planning, Office of Community Planning administers Environmental Justice and Community Base Transportation Planning funds:

<http://www.dot.ca.gov/hq/tpp/offices/ocp/cbtp.html>

The Division of Aeronautics administers aviation planning funds:

<http://www.dot.ca.gov/hq/planning/aeronaut/>

Planning, Programming and Monitoring (PPM) funds are administered by Division of Local Assistance:

<http://www.dot.ca.gov/hq/LocalPrograms/>

Transportation Development Act (Local Transportation Fund and State Transit Assistance) funds are administered by the Division of Mass Transportation:

<http://www.dot.ca.gov/hq/MassTrans/>

4.02 Use of Transportation Planning Funds

As the name indicates, transportation planning funds (FHWA PL, FTA Section 5303) are to be used for the Metropolitan transportation planning process. They cannot be used for project implementation, such as rideshare activities or transit administration, or non-transportation planning Transportation Development Act (TDA) administration. FHWA PL cannot be used for project development such as project initiation documents (PIDs), and project study reports (PSRs) though these activities can be funded with other federal sources. For example, studying whether a traffic impact fee would benefit transportation in the region and even determining appropriate fee levels are acceptable uses, but implementation of the traffic impact fee program goes beyond planning and is not an acceptable use. In addition, if an agency does not adhere to the Contract and Procurement process outlined in 49 CFR, Part 18.36 federal planning funds cannot be used.

State RPA also adheres to the same eligibility requirements as the Metropolitan planning funds. RPA should be used for the rural transportation planning process and should not be used for activities that go beyond the planning process or for activities that have been identified as an ineligible use of transportation planning funds. These activities include project specific work involving transportation engineering, TDA administration, non-planning transit grant administration, etc.

Examples of eligible uses for transportation planning funds can be found in the Annual MPO and RTPA OWP Guidance at:

<http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

4.03 Rural Planning Assistance (RPA) and RPA Unexpended Carryover

RPA is part of a line item in the State Budget, which ORIP annually allocates to the rural, non-MPO, RTPAs. Expenses incurred prior to the end of the fiscal year (June 30) can be reimbursed for up to sixty days after June 30. (See Section 4.09 for more information about Year-End Packages.)

RTPAs may carry over up to 25% of their annual RPA allocation into the next Fiscal Year (FY). These funds will not be eligible for reimbursement in the future FY until close-out of the prior FY has occurred. The close-out process includes submission of a FINAL RFR, a signed Certification of Expenditures by Fund Source, a Final Statement of Expenditures, and a signed Reconciliation Letter. The reconciliation and carry over process is also reflected in Section 3.07 and 3.08

4.04 Proposition 84 Modeling Funds

Proposition 84 Modeling Incentive Funds were allocated to the Strategic Growth Council (SGC) by the Legislature to improve the modeling capacity of Metropolitan Planning Organizations (MPOs) in order to meet the requirements of SB 375.

The SGC awarded \$12 million in Proposition 84 bond funds, as authorized by the Budget Act of 2009, to expedite the development of regional transportation and land use modeling by supporting the data gathering and model development necessary to comply with SB 375 and promote the objectives of the SGC. These models and data should help support policy decisions regarding improving air and water quality, protecting natural resources and agricultural lands, increasing the availability of affordable housing, improving the transportation system, promoting public health and assisting state and local entities in the planning of sustainable communities and meeting AB 32 and SB 375 goals.

Proposition 84 funds are General Obligation bond funds. The modeling funds are subject to the OWP/OWPA/MFTA process; therefore, the requirements of an open competitive bid process apply. There is no local match required for the Proposition 84 modeling funds and Indirect Costs cannot be used for Proposition 84 request for reimbursement. Modeling incentive recipients must submit supporting documentation for each expense, with reimbursements approved only for eligible expenses pursuant to program guidelines and contained within the approved project budget. Please see the bond accountability website for further information:

<http://bondaccountability.resources.ca.gov/inprogress.aspx?pid=4>

Proposition 84 funds must be expended by February 29, 2012. If the project is not completed by February 29, 2012, an extension may be possible, but will require administrative action by the Natural Resources Agency and Caltrans to request reappropriation of the balance of funds by the Legislature. The Natural Resources Agency and Caltrans will review the MPOs' progress in summer 2011 to determine whether a time extension will be necessary.

4.05 Indirect Cost Allocation Plan (ICAP)

If a MPO/RTPA plans to request reimbursement for indirect costs (i.e. those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited), it must submit an Indirect Cost Allocation Plan (ICAP) and related documentation to the Departments' Audits & Investigations (A&I), per the MFTA, Article 2, Section 2. The ICAP submittal must be in compliance with 2 Code of Federal Regulations (CFR), Part 225 [formally known as Office of Management and Budget Circular A-87 (OMB A-87)] and Caltrans Local Programs Procedures Manual Chapter 5, Accounting/Invoicing (LLP 04-10). If a MPO/RTPA determines that they will not bill for indirect costs for a specific fiscal year(s) then an ICAP is not required for the specific year(s).

The Department in cooperation with the Federal Highway Administration (FHWA), is implementing a streamlined approach to processing Local Government Agency (LGA) indirect cost allocation plans/indirect cost rate proposals (ICAPs/ICRPs).

Effective July 1, 2011, the Department will issue a rate acceptance letter within 30 business days of receipt of an ICAP/ICRP that meets the submission requirements of 2 Code of Federal Regulations (CFR) Part 225. For those ICAPs/ICRPs that were previously submitted and accepted, rate acceptance letters will be issued. After receiving a rate acceptance letter, the LGA may use the accepted rate(s) for billing and reimbursement purposes.

Please be aware that 2 CFR Part 225 requires LGAs to submit ICAPs/ICRPs within six months after the close of the LGA's fiscal year. Therefore, unless the LGA has received FHWA's approval for a time extension, LGAs that submit an ICAP/ICRP after six months of their fiscal year end will not be eligible for indirect cost billing and reimbursement. A one-time exception will be provided to allow LGAs to submit prior fiscal year ICAPs/ICRPs until December 31, 2011. After December 31, 2011, ICAPs/ICRPs for prior fiscal years will not be accepted and indirect costs for these periods will not be eligible for reimbursement.

Subsequent to issuance of rate acceptance letters, the Department will perform a risk assessment of submitted ICAPs/ICRPs for audit determination. If an ICAP/ICRP is selected for audit, the LGA will be notified. Material audit adjustments will require reimbursement if proposals are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or State awards.

The following describes in more detail the Annual ICAP/ICRP submission process, Audit, and documentation requirements.

Annual ICAP/ICRP Submission Process

- The Federal Highway Administration (FHWA) and the California Department of Transportation (Department) require Local Government Agencies (LGA) to submit an Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) and Central Service Cost Allocation Plan (CSCAP) to the Department for review and acceptance prior to invoicing for indirect costs.
- Within 30 business days of receipt, the Department will review the ICAPs/ICRPs/CSCAPs received for compliance to the submission requirements of 2 CFR Part 225. The Department's acceptance must be received by the LGA prior to the LGA billing for indirect costs.
- The Department will advise LGAs of the additional documentation needed to support/evaluate the proposed plan or identify changes required to make the proposed plan compliant.

- Non-compliant submissions may be returned to the LGA if requested documentation is not provided or required changes are not made within 5 business days of notification to the LGA of the additional document(s) needed or changes required.
- LGAs with an ICAP/ICRP/CSCAP approved by a cognizant federal agency will submit a copy of the cognizant federal agency approval, the approved proposal, plan, subsidiary worksheets, and other relevant data (as described below) to the Department.
- Unless FHWA approved a time extension, LGAs are required to submit ICAPs/ICRPs/CSCAPs within six months after the close of the LGAs fiscal year in accordance with 2 CFR Part 225. **LGAs will have until December 31, 2011, to submit all fiscal year 2010/11 and prior ICAPs/ICRPs/CSCAPs.**
- If overall fringe benefit rates are not approved for the LGA as part of the CSCAP, a proposed fringe benefit rate and computation should accompany the ICAP/ICRP submittal.
- The Department will issue rate acceptance letters for ICAPs/ICRPs/CSCAPs that were previously accepted and awaiting audit.

Timeline

The Department is committed to issuance of a rate acceptance letter within 30 business days of Department receipt, provided that the ICAP/ICRP/CSCAP package is in compliance with all submission requirements of 2 CFR Part 225.

ICAP/ICRP Audits

Annually, the Department will perform a risk assessment of submitted ICAPs/ICRPs for audit. If an ICAP/ICRP is selected for audit, the LGA will be notified. Material audit adjustments will require reimbursement if proposals are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or State awards.

Documentation of Proposal

All LGAs desiring to claim indirect costs for federal-aid and/or State funded projects must prepare an ICAP/ICRP/CSCAP and related documentation to support those costs. All documents related to the ICAP/ICRP/CSCAP must be retained for audit in

accordance with the record retention requirements in the “Common Rule,” 49 CFR Part 18.

The following documentation shall be included with each proposal as prescribed by 2 CFR Part 225:

1. ICAP/ICRP:

- a. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.
- b. Subsidiary worksheets should include the following:
 - Schedule of actual direct / indirect /unallowable costs incurred by cost category type (i.e., rent, utilities, etc.) as well as by departmental unit.
 - Schedule of budgeted direct costs and indirect costs by cost category type and department unit (Budget approval by Board, etc.).
 - Schedule showing calculation of the over/under carry forward provision when “fixed rate” is used.
- c. A copy of the financial data (financial statements, comprehensive annual financial report, single audit reports and management reports, if applicable, etc.) on which the rate is based.
- d. The approximate amount of direct base costs to be incurred under federal-aid and State reimbursement. These costs should be distinguished between salaries and wages and other direct costs.
- e. A chart identifying the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. (Once this is submitted, only revisions need be submitted with subsequent proposals.)
- f. Certification that the ICAP/ICRP was prepared in a manner consistent and is in compliance with the Cost Principles of 2 CFR Part 225. (See Attachment D for Sample Certification)
- g. The Department’s Submission Review Checklist to assist LGAs in understanding the documentation that is used to review each submittal and perform a risk assessment. (See Attachment C for Submission Review Checklist)

2. Central Service Cost Allocation Plan

LGAs required to submit their CSCAP to the Department for acceptance should submit a Certificate of Cost Allocation Plan, document their plan, and include supporting documentation in accordance with 2 CFR 225, Appendix C, Section E. See ASMB C-10 for a Sample Central Service Cost Allocation Plan and supporting documentation.

Please note that the audit reports is also a matter of public record and will be included on the Reporting Transparency in Government Website at, <http://www.reportingtransparency.ca.gov/>.

It is the District's responsibility to ensure the MPO's/RTPA's proposed ICAP is sent to Headquarters A&I, even though some MPOs/RTPAs may submit their ICAP directly to Audits. ICAP packages will no longer be accepted if they are submitted later than six months after the close of the fiscal year, or a request for an extension is not received within the first six months after the close of the fiscal year, 2 CFR 225.55, Section D. 1.

If the MPO/RTPA charges indirect costs in their RFRs, the District must ensure that an approved ICAP rate is used and applied correctly. The District is responsible for ensuring that the RFR submitted by the MPO/RTPA includes a breakdown of costs by direct labor, indirect costs, other direct costs and consultant costs, sufficient to review for reasonableness of cost categories billed and to compare the indirect rate billed to the approved ICAP rate. If the District is unsure if an ICAP has been submitted and/or approved, the District should contact the ORIP Fund Specialist.

Please visit the two following sites for more information on ICAPs:

2 CFR, Part 225.55:

http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

Local Assistance Procedures Manual, Chapter 5 Accounting/Invoice Section 5.14 - Obtaining Approval for Indirect Costs:

http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_p/p05accin.pdf

If the MPO/RTPA has questions about ICAPs, the District should direct them to Audits and Investigations.

Appendix P, Q, R, and S includes additional definitions, examples of ICAP/ICRP Submission and Audit Process, ICAP/ICRP Requirements, ICAP/ICRP Submission Review Checklist, and a Sample ICAP/ICRP Schedules.

4.06 Requests for Reimbursement (RFRs)

Once the MPO/RTPA has an adopted and approved OWP, a fully executed original OWPA filed with the ORIP Fund Specialist, and the State Budget has been signed by the Governor, the MPO/RTPA can request reimbursement for eligible OWP expenditures per the MFTA, Article II, Section 1.

To be reimbursed for OWP work, the MPO/RTPA submits a Request for Reimbursement (RFR) with support documentation that clearly tie expenditures to the RFR.

Unless the MPO's/RTPA's MFTA provides differently, RFRs may not be submitted more frequently than a monthly time period and may not be submitted less frequently than for a quarterly time period. If the MPO/RTPA does not meet the minimum RFR submittal requirements as outlined in their MFTA, District staff should notify HQ of the agencies response as to why the minimum submittal requirements are not being met.

ORIP has developed Request for Reimbursement forms for:

- MPOs seeking reimbursement for CPG funds, including reimbursement for Regional Blueprint Planning Grant Funds
- MPOs seeking reimbursement for Prop 84 funds
- RTPAs seeking reimbursement only for RPA
- RTPAs seeking reimbursement for FTA 5304 and/or SPR-Partnership Planning funds, including reimbursement for Regional Blueprint Planning Grant Funds

To assist the MPOs/RTPAs, the Districts, and ORIP in accurately monitoring CPG expenditures, RFR forms are multi-page documents; page one summarizes the request and the subsequent page(s) provides supporting financial information including but not limited to, a work element by work element breakdown of direct and indirect charges by fund source and a breakdown of the source(s) of the non-federal local matches.

Please note, starting July 1, 2011, the current RFR support documentation process has been amended.

The previous process provided Caltrans support documentation spreadsheets with designated column information to be filled out by the MPO/RTPA. However, ORIP has determined that this level of support documentation does not properly document expenditures and the current format may allow for mistakes in transferral of information to the support documentation spreadsheets. Therefore, ORIP will now additionally require MPOs/RTPAs provide a project summary report generated directly from the regional agencies accounting system that reconciles CPG expenditures (still shown on the support documentation spreadsheets) to their accounting system. The project summary report will supplement the support documentation spreadsheets on each submitted RFR.

For more information on standards for financial management systems please see 49 CFR Part 18.20.

When necessary, Districts may also request additional information or documentation if there are concerns with the submitted RFR. If during District review, it is unclear what work CPG funds are tied to, paying for, or if the work has actually been performed, Districts should contact the regional agency and request additional documentation such as copies of third party contractor invoices, timesheets (if necessary), cancelled checks and other miscellaneous support documentation in order to approve the RFR. If the District is unable to determine that the RFR is accurate they may file a Dispute Notification Form (See Section 4.08 for more information on inaccurate RFRs/Dispute Notification Forms).

For the 26 RTPAs who receive Rural Planning Assistance (RPA) funds, Caltrans offers a Electronic Funds Transfer (EFT) payment process. Throughout this process, the State Controller's Office (SCO) received electronic notification of payments due to Caltrans. SCO will then electronically transfer funds to a vendor's designated bank account. After the funds are transferred, a paper remittance advice will automatically be sent to each vendor detailing the specific account the payment is posted to, as well as the amount of the payment that was issued. For additional information on the EFT program including how to sign up, please contact Angela Covell, HQ Accounts Payable at (916) 227-9144.

MPO and RTPA RFRs can be found on ORIP's website at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

Appendix F, G, and H include sample RFRs.

4.07 Timely District Review of RFRs

It is the District's responsibility to review all RFRs to ensure expenditures are bona fide, accurate, for eligible activities, for delivered products, and completed in accordance with work elements in the OWP.

For CPG and the Blueprint Planning Grant, the District also verifies that the RFR reflects the appropriate local match amount. (Section 3.05 provides information about local match). Please note, RFRs cannot be approved for payment when there is no supporting documentation or the supporting documentation is not adequate. RFR's should contain invoices with supporting documentation (i.e. breakdown of labor costs, travel costs etc.) to support all costs requested for reimbursement. (Please refer to the Appendix F for minimum required support documentation).

RPA and NON-CPG RFR's:

For RPA and non-FHWA PL RFR's there is a total of 45 calendar days for review and processing. The District will forward the RFR to the ORIP Fund Specialist for coding within 10 days after receipt in the District, to allow time further review and coding. **Starting July 1, 2011 the RFRs will be submitted to the ORIP Fund Specialist Mailbox at Regional_Planning_Invoices@dot.ca.gov.** Caltrans Planning (including District review and review coding through ORIP) has a total of 15 calendar days from date of receipt in the District to send the approved RFR to Accounting.

If there are problems with the RFR, within 15 calendar days from receipt in the District, the District must formally notify the MPO/RTPA, both by phone and in writing, of an error in the RFR (Section 4.08 provides information about Inaccurate RFRs).

Accounting has another 15 days to authorize payment and the State Controller's Office has 15 days to issue the actual payment check. The maximum turnaround time on any non-FHWA PL RFR should not exceed 45 calendar days.

RFR Flow: The District date stamps and reviews the RFR for accuracy and, if accurate, emails/faxes the signed RFR and support documentation to

the ORIP Fund Specialist for further reviews and coding the bottom of the RFR. The District's Senior Transportation Planner whose unit is responsible for regional planning, and for OWP administration and monitoring, signs the RFR.

As a reminder RFRs should never be sent through the interagency or postal mail service.

The ORIP Fund Specialist reviews and emails/faxes the coded RFR to HQ Accounts Payable with a coversheet (Form 100) advising Accounting that the coding is consistent with the processes agreed to between ORIP and Accounting. The District is also notified when accounting receives the coded RFR.

CPG RFR's:

SAFETEA-LU, section 1107 amended 23 CFR 104(f), requiring that reimbursement for FHWA PL funds shall occur within 30 days after the date of receipt. This change in 23 CFR 104(f) supersedes Assembly Bill 2275 (California Prompt Payment Act) and has required ORIP to institute a unique RFR process for RFR's that contain FHWA PL funds.

For FHWA PL RFRs there is a total of 30 calendar days to review and processing. The District will forward the RFR to the ORIP Fund Specialist for coding within 5 days after receipt in the District, to allow time further review and coding. The District (including coding through ORIP) has a total of 7 calendar days from date of receipt in the District to send the approved RFR to Accounting.

If there are problems with the RFR, within 5 calendar days from receipt in the District, the District must formally notify the MPO/RTPA, both by phone and in writing, of an error in the RFR (Section 4.07 provides information about Inaccurate RFRs).

Accounting has 8 days to authorize payment and the State Controller's Office has 15 days to issue the actual payment check.

RFR Flow: The District date stamps and reviews the RFR for accuracy and, if accurate, emails/faxes the RFR, signed Receiving Record (Form 1226A), and support documentation to the ORIP Fund Specialist ~~who~~ for further review and The District's Senior Transportation Planner whose unit is responsible for regional planning, and for OWP administration and monitoring, signs the RFR (Form 1226A).

As a reminder RFRs should never be sent through the interagency or postal mail service.

The ORIP Fund Specialist reviews and emails/faxes the coded RFR to HQ Accounts Payable with a coversheet (Form 100), and Receiving Record (Form FA1226A) advising Accounting that the

coding is consistent with the processes agreed to between ORIP and Accounting. The District is also notified when accounting receives the coded RFR.

4.07a District RFR Review Checklist

The following checklist can assist District staff when they review and approve RFRs. This list is illustrative, not inclusive.

- Invoice is date stamped by District.
- Invoice is signed by both the submitting agency and signed by the District's Senior Transportation Planner whose unit is responsible for regional planning and for OWP administration and monitoring.
- MPO/RTPA has submitted yearly FHWA/FTA certifications of assurances and a state Debarment Form if they are receiving Federal Funds.
- RTPA has submitted RTPA Certification of Assurances and a state Debarment Form if they are receiving state funds.
- Invoice is consistent with funding programmed in the OWP/OWPA.
- The MPO/RTPA has not overspent the funds programmed in each work element.
- MPO/RTPA has indicated at least the correct minimum local match for each fund source and work element.
- MPO/RTPA has submitted support documentation that details the expenditures at the individual fund source and work element level (including sub-work elements if applicable).
- MPO/RTPA has provided a project summary report generated directly from the regional agencies accounting system that reconciles CPG expenditures (still shown on the support documentation spreadsheets) to their accounting system.
- MPO/RTPA has indicated in its support documentation the source(s) of local match (not applicable to RPA invoices).
- Support documentation adequately shows that costs have been expended by the agency.
- MPO/RTPA has indicated the approved Indirect Cost Allocation Plan Rate percentage and a breakdown of indirect costs per fund source and work element (including sub-work elements).

4.08 Inaccurate RFRs/Dispute Notification Form

Within 15 calendar days of receipt (5 days for FHWA PL RFRs), the District must notify the MPO/RTPA if the District finds an inaccuracy in an RFR. District staff works with the MPO/RTPA to correct any and all errors prior to forwarding the RFR to ORIP for payment. This involves both telephone and written communication with the MPO/RTPA.

For example:

- District staff phones the MPO/RTPA to discuss the specific RFR concerns, *and*
- District staff also makes a written record of both the specific concern and the phone conversation communicating the concern using EFIS. To properly dispute an invoice in EFIS, please see the directions at the attached link on how to “Dispute an Invoice – Enter an Invoice Dispute Document (IDN) Document”.

http://onramp.dot.ca.gov/hq/finance/efis/qrg_info/pdf/DisputeInvoice.pdf

If the District fails to adhere to the 15 working day (5 days for FHWA PL RFRs) mandated notice timeframe, the District is liable for paying interest on the RFR balance. To avoid this interest penalty, the District must document its communication with the MPO/RTPA about the inaccuracy in the RFR.

4.09 Year-End Package

Within 60 days after June 30 (the state fiscal year), each MPO/RTPA must closeout the OWP through submittal of a Year-End Package. Please note, the “Year-End Package” should not be sent until all invoices for the fiscal year that just ended have been submitted. The close out package must be attached to a transmittal letter and on agency letterhead. If the documents are not received within 60 days after the close of the fiscal year, the state may withhold future apportionments allocated to the agency, per the MFTA, Article 2, Section 3.

MPO and RTPA Recipients Year-end Package

The following documents make up the year-end package for the MPOs/RTPAs:

- A Certification of Expenditure by Fund Source that has been executed by an MPO/RTPA entity who has specific signature authority from the Governing Board (usually the Executive Director or Finance Officer) and
- A Final Statement of Expenditures – a summary of the total amount of federal and state funds expended for a work element by fund source and type, i.e.,

FHWA PL and FTA § 5303, and RPA. It must match the reported expenditures contained in the Certification of Expenditure by Fund Source.

ORIP and Accounting use the Certification of Expenditure by Fund Source to close the MPO's/RTPA's account for the fiscal year. This document is critical to enable Department to ensure FHWA PL and FTA § 5303 and RPA carryover balances are accurately credited to the MPO's/RTPA's account. (See Section 3.07 for information about CPG Balance Reconciliation and Section 4.03 about RPA Carryover)

After the District has received the coded RFR marked "Final" from the ORIP Fund Specialist, they can then proceed to compile the year-end package. The District forwards the complete package to the ORIP Fund Specialist

CPG and RPA Certification by Expenditure Forms can be found on ORIP's website at <http://www.dot.ca.gov/hq/tpp/offices/orip/owp/index.html>.

Appendix I and J includes a sample Certification of Expenditure by Fund Source for the MPOs/RTPAs,

4.10 Annual MPO/RTPA Single Audits

As stipulated in the MFTA, and as a condition of receiving federal transportation planning funds, MPOs/RTPAs must have an annual Single Audit if they incur \$500,000 or more in total federal fund expenditures. Office of Management and Budgets (OMB) Circular A-133, Subpart D describes the responsibilities of federal agencies and pass-through entities.

To ensure the State of California carries out its responsibilities in accordance with the Federal Single Audit Act, local California governments (including MPOs/RTPAs) are required to submit annual single audit reports directly to the State Controller's office (SCO) within thirty days after receipt of the auditor's report or nine months from the close of the fiscal year being audited, whichever is earlier. For most MPOs/RTPA's this means by March 31 of the following fiscal year being audited. The SCO, acting as the single audit report clearing hour for California local governments, will perform the following procedures.

- Determine whether or not the single audit reports conform to Government Auditing Standards.
- Determine whether the single audit reports comply with OMB Circular A-133.
- Distribute copies of each audit report to State Departments affected by individual audit findings.
- Request the corresponding State Departments to review single audit reports and evaluate the local government corrective action plans submitted in response to findings of noncompliance.

For single audit findings related to the federal programs the Department is responsible for, the SCO will send the associated single audit reports to Audits & Investigations (A&I). A&I is responsible to follow up on these single audit findings and determine the disposition of the findings. MPOs/RTPAs with single audit findings should be prepared to promptly respond to A&I inquiries and provide corrective action plans upon request.

For additional information, please see Office of Management and Budget Circular A-133: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>

4.11 Records Retention

As stipulated in the MFTA, Article 2, Section 3 the MPO/RTPA must retain all documents, books and records connected with the funds transferred to the MPO/RTPA, and performance requirements related to those funds. The retention period is three years from the date of the final payment to the MPO/RTPA or until audit resolution is achieved, whichever is later. In the event of multi-year projects, all records must be retained for a minimum of three years after the project's closeout year.

Like other conditions, record retention applies to the MPO's/RTPA's contractors and sub-contractors.

Additionally, if any action has commenced relative to the records (e.g., litigation, claim, arbitration, audit, negotiation, etc.) the records must be retained until completion of the action and resolution of all issues that arise from it.

Whether for three years or for a longer period, for as long as they are retained, records shall be available for inspection by state and/or federal representatives and requested copies shall be provided to them without cost.

A sampling of the kinds of records that need to be retained includes:

- OWPs, OWPAs, MFTAs, and any amendments
- Products, e.g., working papers, studies, plans, programs, models, etc.
- RFRs and Year-end Packages, fund tracking spreadsheets
- Billings, payable/receivable records, and financial summaries
- Certification of Expenditure by Fund Source, including the Final Statement of Expenditures
- Quarterly Progress and Expenditures Reports
- Contracting and procurement information and procedures, e.g., requests for proposal (RFPs), proposals received, contracts, consultant products, etc.

The above-described records retention period is the minimum. Caltrans district staff should refer to the current Caltrans policy on record retention.

4.12 Electronic Submittals

In an effort to facilitate availability and accessibility to transportation partners and users, MPOs/RTPAs are requested to submit an electronic version of OWPs, RTPs, and other documents and information. Unless an original and/or hard copy is required, an electronic version can be submitted in place of a hard copy. After adoption, MPOs/RTPAs should submit electronic products to the Districts, which forward copies to ORIP. As appropriate, these will be posted on the ORIP website listed in Section 1.07. ORIP has implemented electronic formats of its tools and documents.

5 ORIP-ADMINISTERED TRANSPORTATION PLANNING GRANTS (FTA 5304, FHWA PARTNERSHIP PLANNING, REGIONAL BLUEPRINT PLANNING, Prop 84)

ORIP administers and monitors the following transportation planning grant funds: FHWA State Planning and Research – Partnership Planning, FTA State Planning and Research, Section 5304 Transit Planning Grant (FTA Statewide or Urban Transit Planning Studies, FTA Rural or Small Urban Transit Planning Studies, and FTA Transit Planning Student Internships), the Regional Blueprint Planning Grant, and the Prop 84 Modeling Funds. All seven grants must be applied for and are competitively awarded. The grant application package for each type of grant provides specific information about the intent of the grant program, eligibility, filing, procedures, deadlines, and rating criteria.

The Environmental Justice: Context-Sensitive Planning and Community Based Transportation Planning grant programs are respectively administered by the Office of Community Planning in the Division of Transportation Planning. ORIP only manages the grants mentioned in the title of this section. The intent of this chapter is to discuss the different grant programs administration and monitoring process from award to completion.

5.01 Programming

In general, grant work cannot begin until the project is assigned an OWP work element number and amended into the current OWP and OWPA. Once the project has been amended into the OWP, MPOs/RTPAs are expected to complete the project and expend their grant funds within two years. If there are any changes to the project schedule upon grant award, a revised project funding and schedule chart must be submitted to the District and ORIP.

For the Partnership Planning and FTA 5304 Transit Planning grant programs, the programming process is formalized in the Conditional Award Letter. The Conditional Award Letter is sent to grant recipients as a follow-up to the Award Letter signed by the Caltrans Director. The Conditional Award Letter provides deadlines for programming, project completion, and outlines the conditions of acceptance that must be fulfilled in order to begin grant funded activities. There are four basic conditions of acceptance: (1)

the OWP has been amended to incorporate the grant project work element; (2) the grant application cover sheet, OWP Budget Summary, the work element, and the amended OWPA all reflect consistent funding information for the grant project; (3) the revised final scope of work, project schedule and funding chart, and grant application cover sheet are submitted to Caltrans, as needed; and, (4) if applicable, a description of who will provide the in-kind local match and how the in-kind local match will be documented, e.g., provide a breakdown of the number of staff, their job titles and their hourly rate. Some grant awards may have additional conditions that were developed by the grant application review committee. The package of completed documentation needed to fulfill the conditions of the award letter is sent to the District. The District in turn sends the package to the appropriate HQ ORIP liaison for approval.

5.02 Time Extensions

MPOs/RTPAs are expected to follow through with the project funding and schedule chart and scope of work submitted with the original grant application. However, ORIP recognizes hardships in project management may arise once the project is underway. On a case-by-case basis, ORIP may consider a request for a time extension if project completion will be delayed beyond the end date set forth in the original grant application. To receive an approved time extension, the grantee must send the District a brief written justification to explain the need for a time extension and an updated project funding and schedule chart. Additionally, the District must ensure the grantee has provided adequate project progress updates through quarterly reporting that ties to the written justification. The District reviews and forwards this time extension request to the HQ ORIP liaison for concurrence. Once the extension has been approved the agency must submit a revised schedule, which the District sends a copy of to the HQ ORIP liaison.

Proposition 84 funds must be expended by February 29, 2012. If the project is not completed by February 29, 2012, an extension may be possible, but will require administrative action by the Natural Resources Agency and Caltrans to request reappropriation of the balance of funds by the Legislature. The Natural Resources Agency and Caltrans will review the MPOs' progress in summer 2011 to determine whether a time extension will be necessary.

5.03 Grant Request for Reimbursement (RFR)

The Request for Reimbursement (RFR) process for the FHWA Partnership Planning, FTA Section 5304, and the Regional Blueprint Planning grants is identified in Section 4.06. A separate RFR must be submitted for the Regional Blueprint Planning and Prop 84 Grants.

Please note, beginning with the Fiscal Year 2011-2012, MPOs will not be allowed to charge Caltrans Transportation Planning Grant sub-recipients administrative fees. By charging administrative fees, fewer funds are available to the sub-recipient for the actual grant funded planning activity. This will ensure that planning activities occur that benefit the region as a whole.

Appendix H and A3 includes a sample FHWA Partnership Planning Grant and the FTA Section 5304 Grant Request for Reimbursement form and a separate Regional Blueprint Planning Grant Request for Reimbursement form.

5.04 Quarterly Progress and Expenditure Report

The grant recipient is required to submit a Quarterly Progress Report describing the work that has been accomplished during the quarter. These reports are due to the District on October 31st, January 31st, April 30th, and July 31st. This is the same quarterly reporting schedule that is used for the OWPs “Quarterly Progress and Expenditure Report (see section 2.28). The District, then provides copies of the Quarterly Progress Report to the HQ ORIP Liaison on November 15th, February 15th, May 15th, and August 15th (see page 17 for a OWP Timeline).

Appendix K, L A1, and A3 includes a sample FTA 5304 and FHWA Partnership Planning Grant Quarterly Progress Report Form, MPO Regional Blueprint Planning Grant Quarterly Progress Report Form, RTPA Regional Blueprint Planning Grant Quarterly Progress Report Form, and a Prop 84 Quarterly Progress Report Form.

5.05 FTA 5304 and FHWA Partnership Planning Grant Close-Out Procedures

When the project is complete, the MPO/RTPA is required to submit a closeout package to the District office. The MPO/RTPA provides one copy of the quarterly progress report marked ‘FINAL’ and one copy of the RFR marked ‘FINAL’ along with two copies of the final work product (an electronic copy is preferred).

The District Liaison:

1. Completes and signs the Grant Program Closeout Report form
2. Reviews the final Quarterly Progress Report marked “FINAL”;
3. Reviews final RFR;
4. Reviews and keeps one copy of Final Products; and
5. Sends one copy of each of the above documents to the HQ ORIP Liaison.

If the grant funded project is completed by June 30 a final RFR must be received within 60 days of the close of the current fiscal year. If the grant funded project is not fully completed by June 30 it will need to be carried over into the following years OWP and OWPA.

Appendix M and N includes a sample Caltrans Transportation Planning Grant Program Close-out Report and a Sample Regional Blueprint Planning Fund Close-out Report

5.06 Regional Blueprint Planning Grant Close-Out Procedures

When an MPO/RTPA has expended their Regional Blueprint Planning Grant award amount (per year) the District must complete and submit a Regional Blueprint Planning Grant Funding Close-Out Report (see Appendix N) along with a RFR marked “FINAL” to the appropriate HQ ORIP Liaison.

5.07 Unexpended Carryover for Grants

FTA § 5304, FHWA State Planning and Research – Partnership Planning Element, and/or Regional Blueprint Planning Grant may be carried over but must be liquidated within three years of award, as noted below. Funds must be expended as per the grant application and schedule, and as shown in the OWP work elements for the applicable fiscal years. If there are changes, both the grant application and the OWP must be amended. When a FTA 5304 or FHWA Partnership Planning Grant has been completed any remaining funds cannot be transferred to another grant effort.

An MPO/RTPA recipient may use unexpended FTA § 5304, FHWA State Planning and Research – Partnership Planning and/or Regional Blueprint Planning Grant Element funds in a future year provided:

- The three year time limit to expend grant funds has not been exceeded, i.e., year of award plus two years, and
- Both the OWP work element and the grant application reflect the multi-year expenditure schedule.

6 THIRD PARTY CONTRACTS

Some OWP work cannot be accomplished by MPO/RTPA in-house staff and will be contracted out, i.e., contractors or consultants will be hired to perform the work. The agreements between the MPO/RTPA and the contractors are referred to as “third party contracts”. Contracting out is also called consultant procurement. In this chapter, consult, consultant, contract, contractor, third party and third party contracts will be used interchangeably.

In accordance with Title 49 CFR, Part 13.37 and state law and procedures, all MPO/RTPA contractors, subcontractors, and subrecipient contracts containing Federal and state planning funds are required to be competitively bid and awarded consistent with LPP 00-05, per the MFTA, Article IV, Section 5.

When work is contracted out, all state and federal compliance responsibilities of the MPO/RTPA apply to these consultants/contractors/third parties as they do to the MPO/RTPA and must be included in the consultant agreement entered into between the MPO/RTPA and consultant/contractor/third party. If portions of the work are further contracted out to subcontractors, the consultant/contractor/third party must

include all state and federal compliance responsibilities in the subcontractors agreement so the subcontractors/subconsultants are bound.

If the MPO/RTPA sub-grants CPG or RPA or any other state or federal funds through to their sub-regional agencies, third party contract procedures apply to any contracts, which the sub-regions let.

Contracted out work needs to be identified or labeled as such in the OWP and contracting out oversight is a District responsibility. The District should monitor third party contracts throughout, from request for proposal (RFP) through closeout evaluation. (See Section 6.04 for Contract Review Points.)

The District oversight focuses on equitable contracting procedures and quality output by the MPO/RTPA, e.g., inclusive advertisement, solid requests for proposal, objective selection procedures, sound cost estimates, timely delivery schedules, stated expectations for quality results, and stated expectations for production of high quality work.

The District oversight may involve participation in the development of the contracted-for products, e.g., the District may be part of the working group which develops a public participation plan evaluation and adds enhanced outreach efforts to the plan update, or the District may provide data for alternative scenario planning or needs assessments, or the District may participate in creation of the regional transportation plan, the bike plan, the long range transit plan, corridor studies, etc.

MPO's should provide copies of contracts and related executed amendments to the District prior to the Department reimbursing the MPO for costs incurred on those contracts.

Appendix Y includes Key Contract and Procurement Requirements

6.01 Open and Competitive

Consultant procurement always needs to be done in an open and competitive manner, which is inclusive, and includes certified Disadvantaged Business Enterprises (DBEs); the best quality work at the fairest price. (See Section 6.06 for more about Disadvantaged Business Enterprise.)

6.02 Contracts up to \$100,000

According to the delegation of authority for Director's Orders, approving RTPA and MPO third party contacts, up to \$100,000, funded with Federal Local Assistance Planning funds has been assigned to the Districts for approval. Third party contracts for less than \$100,000 (also referred to as Personal Services Contracts or Small Purchases Procedures) may be awarded through a fairly informal procedure where price or rate quotations are obtained from an adequate number of sources.

This \$100,000 amount is a cumulative limit for services procured of any individual consultant or consulting firm on a contract or procurement document. This means that if an existing contract or procurement, which was procured using an informal procurement procedure, is to be amended for additional funds that will result in the contract being in excess of \$100,000 a new procurement is necessary.

Price or rate quotations shall be obtained from qualified available sources. Generally, this means a minimum of three consultants or vendors should be solicited for quotes. For these smaller contracts, the MPO/RTPA must prepare and retain the following information, in addition to other contracting documents to support the procurement:

- An explanation of the services needed from the consultant and why the MPO/RTPA staff cannot provide them
- Documentation indicating which firms or consultants have been contacted and whether they were interested in providing price or rate quotations
- Copies of the written price or rate quotations and proposals
- The name and qualifications of the consultant who provided the services and a copy of the contract
- Documentation of the fees, showing how the fee was calculated and that it is reasonable by comparative standards

6.03 Contracts for \$100,000 or More

Third party contracts for more than \$100,000 must be awarded through the procedures described in detail in Chapter 10 of the *Local Assistance Procedures Manual* and in Local Program Procedure 00-05, *Revised Pre-award Audit Requirements and Consultant Procurement* (LPP 00-05).

<http://www.dot.ca.gov/hq/LocalPrograms/lpp/LPP00-05.pdf>

Contracts larger than \$250,000 must also satisfy the pre-award evaluation requirement described in LPP 00-05. If there is unfamiliarity with the consultant or uncertainty about the consultant's fiscal capability, pre-award evaluations may be advisable or required for smaller contracts. (See Section 6.05 and LLP 00-05)

Please reference Section 6.06 for information on the Disadvantaged Business Enterprise Program that applies to CPG planning contracts.

6.04 Seven Contract Steps

The contract process has seven steps:

- Determination that the work can best be accomplished by a consultant
- Selection of the appropriate contracting method
- Development of a request for proposal (RFP), request for qualifications (RFQ) or invitation for bid (IFB), (this will depend on the contracting method chosen)

- Advertisement for project to solicit bids or proposals
- Consultant selection and contract negotiation
- Contract approval and execution
- Contract performance monitoring, evaluation, and closeout

6.04a Determination of How to Best Accomplish the Work

In determining whether work activities are to be performed by staff or consultants, the MPO/RTPA must assess its needs and staff resources: Is contracting the most cost-effective and efficient way to get the work done? A consultant contract should only be pursued if use of in-house staff is not a practical option.

Like work performed by in-house staff, transportation planning contract activities, products, schedule and funding need to be shown in the MPO's/RTPA's OWP. They need to be identified as contracted out consultant work.

6.04b Contracting Methods

There are several consultant selection processes, e.g., sealed bid, competitive proposals (also called competitive negotiation), and non-competitive proposals (also called sole source). Competitive negotiation process using Requests for Proposals (RFPs) is most commonly used for transportation planning work.

Sealed bid/lowest cost contracting is appropriate for construction contracts, or procurement contracts (e.g., office supplies and equipment). Transportation planning third party contracts require competitive selection.

Personal Services Contracts, i.e., smaller contracts for less than \$100,000, may be awarded after consideration of price or rate quotes from at least three different consulting entities, whenever possible. As stated above, contracts exceeding \$100,000 (individually, including any amendments or augmentations, or a series of smaller contracts with one consultant or consulting firm, which together total more than \$100,000) require a competitive procurement process to be used.

Because sole source contracts can only be pursued if one of the following is demonstrated, sole source contracting conditions rarely apply to transportation planning work:

- Only one contractor is qualified to do the work
- An emergency exists of such magnitude that delay cannot be permitted
- Competition is determined to be inadequate after solicitation of a number of sources

If a sole source contract is pursued, the MPO/RTPA needs to assure the contract expectations are clear (e.g., scope of work, tasks, schedules, products, evaluation criteria, conflict resolution, etc.) and the cost is fair and reasonable. A cost analysis is required to

be performed, verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits per 49 CFR, Part 18.36(d)(4)(ii). The special conditions, which necessitate sole source, must be documented and provided to the Department for review and approval prior to the award of the contract. All supporting documentation must be retained and available for review by Department and/or FHWA/FTA. (See Section 4.11 for more information about Records Retention.)

6.04c Development of the Request for Proposal (RFP)

RFPs should be widely publicized to elicit responses from all capable candidates, and to select the most-qualified candidate to deliver the best product at the most reasonable cost, consistent with legal and fair competition requirements.

RFPs should be advertised in newspapers, trade journals and newsletters, posted on the internet, and innovative outreach efforts should be pursued to ensure the most complete participation of potential contractors, including disadvantaged business enterprises and community based organizations. Existing bidder-list direct mail recruitment is not sufficient.

A RFP package with well-defined expectations should include specifications such as, tasks, products, schedules, available resources, as well as performance evaluation and conflict resolution particulars. The proposal evaluation criteria should be described and all requirements for the final contract should be stipulated.

A complete RFP package should include, for example:

- All applicable dates, e.g., briefing dates, filing deadlines, and contract completion. The filing period should allow prospective bidders sufficient time to put together a complete and viable proposal package.
- Background and outline of the study area or topic
- Statement of required proposal content, e.g., methodology or approach, staffing and duties, qualifications, schedule, deliverables, and budget
- Identification of all state and federal requirements, e.g., federal debarment and suspension certification, non-discrimination/non-harassment practices, drug-free workplace, non-lobbying assurances, records retention, product delivery, invoicing, hold harmless and/or indemnification conditions, etc.
- Confidentiality of bidder information, if applicable
- Listing of proposal evaluation criteria (including relative importance or weighting) and description of the selection process
- A pro forma proposed contract, which lists all applicable state and federal requirements

See LPP 00-05 for more information.

It should be noted that if during the RFP review, selection, and award period, any deviation from the agencies internal contracting and procurement procedures are violated (i.e. the Board overrides the agencies recommendation) federal funds can no longer be used to contract per 49 CFR Part 18.36.

6.04d Consultant Selection and Contract Negotiation

Selection of the consultant and the development of the contract is a multi-step process. After the RFP has been developed, consultant selection and contract negotiation can proceed. This four-step process can be outlined as follows:

- Proposal evaluation team selection. This should occur prior to the receipt of the proposals, preferably during development of the RFP.
- Review of submitted proposals using the evaluation criteria set forth in the RFP.
- Top candidate interviews, such as oral presentations are an effective method to confirm consultants' understanding of MPO/RTPA needs and the consultant's qualifications in the subject area.
- Contractor selection and completion of negotiable parts of the contract.

There is no requirement to award a contract if none of the proposals are competitive, i.e., if the cost is not reasonable and/or if none of the bidders are qualified to do the job.

If the contract exceeds \$250,000, a pre-award evaluation must be completed prior to entering into the contract. (See Section 6.05)

6.04e Contract Approval and Execution

Contract approval and execution are the final steps in the RFP process. MPOs/RTPAs should prepare a contract approval package available for Department review. The MPO's must provide executed copies of contracts and related executed amendments to the Districts for its records prior to reimbursing the MPO for costs incurred on those contracts.

This package should include:

- A cover letter -- name of the contractor, purpose and summary of the contract, applicable OWP work element (s), contract amount and funding sources, procurement method.
- A review of the selection process -- bidder recruitment methods, listing of proposals received, summary of the proposal evaluation process, a copy of proposal scoring summary. The MPO/RTPA should retain the original scoring documents supporting the summary.

- Two complete copies of the final executed contract (i.e., work plan or scope of work, project staff, schedule and deliverables, and contract budget), including all exhibits.
- A copy of the original proposal of the successful bidder.
- A copy of the Request for Proposals package, with cover letter.

Districts should review contract packages relative to inclusive bidder recruitment, clear scope of work, deliverables schedule, contract budget and personnel exhibits, and consistent with the review points listed in Section 6.07 and LPP 00-05.

6.04f Contract Monitoring and Evaluation

Obviously no work can be done prior to there being an approved and fully executed contract. When contract work proceeds, the District monitors progress in a manner similar to tracking OWP work elements activities, and OWP Quarterly Progress and Expenditure monitoring. For example, the District attends relevant meetings, reviews deliverables for content and timeliness and checks Requests for Reimbursement (RFRs) to assure they are supported with billings.

As work progresses, the District routes deliverables within the Department for information, and solicits comments to provide to the MPO's/RTPA's consultant, as appropriate, on draft products.

RFRs should not be approved unless the District has invoices and supporting documentation. Although District staff may have considerable familiarity with the MPO's/RTPA's business practices, particulars of the consultant contract, and the consultant's progress, approval of RFRs without invoices and supporting documentation is prohibited. Since the Districts are considered contract managers it is expected that all RFRs contain invoices and supporting documentation. RFRs cannot be approved for payment with out invoices and relevant supporting documentation. It is important to maintain objective procedures relative to all MPOs/RTPAs, and it is important to have complete files for audit purposes.

Sections 4.06, 4.07 and 4.08 describe RFR approval and dispute procedures.

Supporting documentation for RFR's are outlined in the MPO MFTA's. In order to have complete files for audit purposes, one of the requirements is to have invoices and relevant support that is retained for three years after final payment under the contract.

District staff should document its contract monitoring activities in a log, journal or calendar, in the contract file. Contract files may be paper or electronic. (See also Section 4.11 Records Retention)

6.05 Pre-Award Audits

If a pre-award audit is required, it must be completed and indicate satisfactory capabilities before the MPO/RTPA enters into a contract with the consultant.

For contracts of \$250,000 or more, a pre-award audit is always required.

For contracts *less* than \$250,000, a pre-award audit is required if one or more of the following conditions exists:

- There is inadequate knowledge about the consultant's financial management system
- There has been a previous, unfavorable experience with the consultant's estimating, accounting methods or financial management system
- The MPO/RTPA or the consultant requests an audit
- The MPO/RTPA has no history of using consultants and the Department deems it prudent

District or ORIP staff may request a pre-award audit to forestall potential problems.

Headquarters Audits and Investigations, an audit firm hired by the MPO/RTPA, or MPO/RTPA in-house staff with audit expertise may perform the pre-award audit. The audit's focus is the consultant's financial management system, which includes a review of the project cost accounting system, estimating and administrative systems, proposed costs and quantities, and financial conditions, etc. In addition, the contract language is reviewed to ensure that the required fiscal provisions are included.

6.06 Disadvantaged Business Enterprise (DBE)

This DBE update provides the latest guidance and direction to MPOs and RTPAs to ensure compliance with the race neutral DBE program. Failure to comply with the DBE program may result in the suspension or termination of federal funds until deficiencies are remedied as discussed in 49 CFR Part 26.101 and the MFTA, Article IV, Section 2.

Title 49 Code of Federal Regulations, Part 26, describes this race-neutral program as one used to assist all small businesses. Race neutral measures focus on developing the business practices of all small businesses and include providing assistance in overcoming bonding and financing obstacles, simplifying bidding procedures, providing technical assistance, establishing programs to assist start-up firms, and other methods open to all firms or any disadvantaged firm regardless of race or gender.

For both MPOs and RTPAs, the following ORIP federal planning funds impacted are:

- FHWA PL
- FTA § 5303
- FHWA Partnership Planning Discretionary Grants
- FTA § 5304 Transit Planning Discretionary Grants

- Regional Blueprint Planning Discretionary Grants

RTPAs receiving only Rural Planning Assistance funds are not impacted by these requirements.

Any federal planning funds that MPOs and RTPAs use directly for staff time are not impacted by these requirements.

RTPAs and MPOs receiving federal planning funds, formula and grant, participate in this race neutral program. Because of a court decision, in May 2006 Caltrans implemented a race neutral DBE program, and in April 2008, Caltrans issued a Director's Policy updating the DBE Program (*See Appendix W*) to assure equal opportunity in doing business with Caltrans or subrecipients, such as MPOs/RTPAs and their outside contractors (sub-recipients). The Director's Policy ensures that MPOs/RTPAs meet DBE program requirements, and data and reports on DBE participation are collected for federal reporting requirements. As a result of the court decision and subsequent report, the need to collect more information for the federal reporting requirements was highlighted. Therefore, the changes to the DBE race-neutral program are:

New Impacts Include:

- All MPOs and RTPAs receiving FHWA or FTA federal planning funds must now participate in the race neutral program when they contract/award to sub-recipients (planning consultants) using any fraction of their federal planning funds. They must complete, sign and turn in the appropriate DBE forms (*See Appendix X*), showing the appropriate dollar amount provided through the contract/s. This information will provide requested data for the DBE database.
- All MPOs and RTPAs receiving FHWA or FTA federal planning funds must now participate in the race neutral program even if they have not contracted out work to sub-recipients. They must also complete, sign and turn in the appropriate DBE forms, showing zero dollars. This information will also provide requested data for the DBE database.
- The appropriate DBE forms are completed by all MPOs and RTPAs twice a year: April 1st and October 1st. The completed forms are sent to the HQ District Liaison.

6.07 RFP Review Points

Each RFP is different, but the following list includes fairly typical RFP review categories and points:

Selection Procedures

- ❑ Description of need for consultant
- ❑ Records of publication of RFP and other solicitation efforts
- ❑ Candidate qualifications and evaluation criteria
- ❑ Documentation of selection steps
- ❑ Evaluation of DBE efforts (when applicable)
- ❑ Plan to monitor work

Consultant Agreement

- ❑ Date of agreement
- ❑ Names, addresses, and other identifying data of agreeing parties
(complete name and address of each party to the agreement, including the legal status [e.g., individual, corporation, partnership, etc.], address where work is available for inspection)
- ❑ Name of contract administrator
- ❑ Work to be done (include any data, etc., MPO/RTPA will provide) and work schedule
- ❑ Deliverables and delivery schedule (including number of copies when applicable and what constitutes completion)
- ❑ Schedule, e.g., effective date of contract, commencement of work, milestones, deliverables, completion
- ❑ Method of payment (whole or progress, what milestones for progress)
- ❑ Records retention (See Section 4.13)
- ❑ Contract cost principles and procedures (must specify 48 CFR, Chapter 1, Part 31) and Administrative Requirements of 49 CFR, Part 18
- ❑ Covenants against contingent fees (If federal funds are used, the following must be included: “The consultant warrants that s/he has not employed or retained any company or person, other than a bona fide employee working for the consultant, to solicit or secure this agreement, and that s/he has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or formation of this agreement. For breach or violation of this warranty, the MPO/RTPA shall have the right to annul this agreement without liability, or at its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.”)
- ❑ Ownership of deliverables (become the property of the MPO/RTPA)
- ❑ Copy rights (if consultant is permitted copy rights, the agreement must provide FHWA/FTA and Department shall have the royalty-free non-exclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes)

- ❑ Changes in work (mutually agreed to, plus provisions for resulting schedule and cost changes)
- ❑ Delays/extensions (appropriate time adjustment in instances of unavoidable delays and warranted adjustments in payment)
- ❑ Termination or abandonment (ownership of completed or partially completed work, basis for payment in the event of termination; including conditions for termination due to default and circumstances beyond the control of the contractor)
- ❑ Remedies (administrative, contractual or legal remedies for violation or breach of contract, citing sanctions and penalties)
- ❑ Disputes (procedures to resolve disputes)
- ❑ Responsibility for claims and liability (hold harmless provisions for all levels of government from all claims and liability due to the negligent acts of the contractor and/or its subcontractors, agents or employees)
- ❑ General compliance with laws and wage rates (requirement for contractor to comply with all federal, state and local laws and ordinances applicable to the work, including compliance with prevailing wage as per California Labor Code, Section 1775, if applicable)
- ❑ Subcontractors, assignment and transfer including prohibition against subcontracting, assignment or transfer of any work, except as provided in the agreement.
- ❑ Conclusions, i.e., customary closing provisions included in MPO's/RTPA's contracts
- ❑ Signatures
- ❑ Certifications of consultant and agency (as per the covenants against contingent fees)
- ❑ Cost price proposal (per consultant team member by hours, rate and total; indirect cost rate; direct costs of equipment, supplies, other by quantity, unit cost and total profit and total cost).

Other review points:

- ❑ Is the consultant qualified to do business in California (e.g., a California corporation or partnership or agent for service of process filed with the Secretary of State)?
- ❑ Is there a drug-free work place certification?

If the contract is for \$5,000 or more, does the contract include the following certification: The prospective contractor's signature affixed hereon and dated shall constitute a certification, under the penalty of perjury under the laws of the State of California, that the bidder/proposer has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990(a-f) and Title 2, California Code of Regulations, Section 8113.

7 REGIONAL TRANSPORTATION PLAN (RTP)

The MPOs and RTPAs are required by federal law (Title 23CFR 450.300, Subpart C) and by state law (Government Code section 65080 et seq) to develop Regional Transportation Plans (RTPs) in order to qualify for and receive federal transportation funding. Additionally, federal funding is contingent upon an air quality conformity finding. For MPOs in non-attainment areas, the RTP must show how its projects will ‘conform’ or achieve the Federal air quality standards. (See the Regional Transportation Guidelines for more detailed information).

The RTP is also known as a metropolitan transportation plan (MTP) or a long range plan that is developed by the MPO/RTPA in concert with the public and transportation partners in the region, including District staff. The RTP is a comprehensive, 20+ year vision of a balanced, multimodal transportation system. It identifies regional issues and problems, includes population and traffic growth projections for the region, and suggests mobility solutions to accommodate future transportation needs. The RTP includes a list of proposed projects known as the Regional Transportation Improvement Program (RTIP). The RTIP is designed to implement the vision and goals of the RTP. The RTIP is sometimes generically referred to a Transportation Improvement Program (TIP). The RTP must be fiscally constrained i.e. the RTP must provide evidence that the proposed projects in the TIP are fully-funded through the cycle of the Plan, the revenues are reasonably available to finance projects and the costs of each project have been estimated consistent with any regional programming or project environmental documentation currently available.

All RTPs must also be accompanied by an environmental review document pursuant to state law (Public Resources Code 21000 et seq, also known as the California Environmental Quality Act (CEQA)).

7.01 *The Regional Planning Handbook and The RTP Guidelines*

This Regional Planning Handbook describes the procedural or administrative steps that the District and Headquarters staff take to process and monitor the Regional Transportation Plan. The RTP Guidelines outlines the requirements to suggested planning practices that MPOs and RTPAs must adhere to in their development of the RTP.

The California Transportation Commission (CTC) has the authority to approve the Regional Transportation Plan (RTP) Guidelines. The *RTP Guidelines* interpret the state and federal statutory requirements and offer guidelines for practice to MPOs and RTPAs. The *RTP Guidelines* are updated as needed to reflect changes in federal and/or state law and is a comprehensive reference manual for the MPOs and RTPAs.

The RTP Guidelines are posted on the ORIP website at:

<http://www.dot.ca.gov/hq/tpp/offices/orip/rtp/rtp.htm>.

7.02 The Role of the District Staff in Reviewing the RTP

The primary role of the District is to act as the communication link between the MPO/RTPA and the Department. The District staff represents the interests and priorities of the Department in the RTP process. The District prepares the Department's comments on the draft RTP. The District's comment letter should be provided in a timely manner and should be comprehensive, i.e., it should be a compilation of both District and Headquarters comments. The Department does not have approval authority of the RTP. The Department's role is to review and comment.

The primary responsibility of the District is to accomplish the following tasks related to the administration of the RTP:

7.02a Review of the Draft RTP

The District review ensures that the RTP is a complete and accurate document reflecting the MPO/RTPAs stated goals. The main tool that the Districts should use in their review and comment of the draft RTP is the RTP Checklist. This is the same checklist that the MPO/RTPA completes and submits along with the RTP. **A Completed RTP Checklist must always accompany the draft RTP.** Headquarters liaisons will not accept a draft RTP or comment on it without the checklist.

Appendix O includes the Regional Transportation Plan Checklist.

7.02b Review of the RTP Environmental Document

In addition to reviewing the RTP, the District also needs to carefully review and, as appropriate, comment on the environmental document. The responsibility for ensuring appropriate District review of the environmental document rests with the Office of Regional and Interagency Planning (ORIP). District size, organizational structure, and staff expertise will determine whether this review is completed by the District's regional transportation planning staff, IGR/CEQA staff, and/or Environmental staff.

It is strongly advised that the regional transportation planner who is familiar with the draft RTP always become familiar with the environmental document.

7.02c Circulation of the Draft RTP and the Draft Environmental document

Upon receipt of the draft RTP and the draft environmental document from the MPO/RTPA, District staff solicits comments from the affected units in Headquarters and the District (see the list of recipients in the OWP Guidance). ORIP is always included, but the contents of the draft RTP will dictate which other units in Headquarters should participate in the review. The District must send one hard copy

and one electronic copy of the draft RTP, the draft Environmental document and a completed RTP checklist to their assigned ORIP HQ liaison.

7.02d Distribution of the Final RTP

It is ultimately the District's responsibility to assure that the California Transportation Commission (CTC), FHWA/FTA, and their assigned ORIP HQ Liaison receive copies of the adopted final RTP. Distribution of the final document may be handled by either the District or the MPO/RTPA according to established practice between the MPO/RTPA and the District.

7.02e Routing of Final Documents

As soon as the final RTP documents are received from the MPO or RTPA, the District forwards the following documents to their assigned ORIP HQ liaison:

- 1 hard copy and 1 electronic (CD) copy of the Final RTP;
- 1 hard copy and 1 electronic (CD) copy of the Final RTP environmental document;
- 1 hard copy of the MPO/RTPA board resolutions adopting the RTP and certifying the Environmental document;
- 1 hard copy of all federal air quality conformity determination letters;
- 1 hard copy of all subsequent major amendments to the RTP; and,
- 1 hard copy of the MPOs/RTPAs current participation plan.

* Please note that the MPOs air quality conformity analysis may be part of the RTP, an appendix to the RTP or a separate document.

7.02f RTP Update Cycles

The due date for the next routinely scheduled RTP update for MPOs in maintenance and non-attainment areas is based on the date of the FHWA/FTA air quality conformity determination letter. For MPOs in an air quality attainment area and for all RTPAs the due date for the next scheduled RTP update is calculated from the date of the Board resolution that adopted the current RTP.

For MPOs in federally designated non-attainment and maintenance areas, the RTP must be updated at least every 4 years. For MPOs in attainment areas, the RTP must be updated at least every 5 years (Title 23 CFR 450.322(c)).

For RTPAs in federally designated non-attainment and maintenance areas and in attainment areas, the RTP must be updated at least every 5 years (Govt. Code Section 65080 (d)).

MPOs or RTPA that are required to adopt a RTP no less than every 5 years may elect to adopt the plan no less than every 4 years (Govt. Code Sections 65080(b)(2)(M) and 65588(b)).

7.03 The Role of the Headquarters Staff in Reviewing the RTP

The primary role of the ORIP HQ liaison is to act as a resource to support the District staff in their administration of the RTP. ORIP HQ liaisons research and answer questions from the District, make policy interpretations and maintain complete RTP, OWP, and grant files for each of their assigned MPOs or RTPAs.

HQ liaisons monitor RTPs to assess whether they are updated in a timely manner, to track statewide transportation trends and air quality conformity issues. Periodically, at the request of the CTC, HQ Staff will report on how well RTPs are in compliance with the current *RTP Guidelines*. ORIP also uses this information to comment on proposed legislation.

The primary responsibility of the HQ liaison is to accomplish the several tasks related to the administration of the RTP. The HQ liaison routes the draft RTP document and RTP checklist to internal ORIP units for comment provides the District with ORIP comments and, monitors the timing of the RTP update cycle.

Additionally, the HQ liaison compiles documents from the District in order to maintain a complete, updated RTP file that includes the following:

- A copy of ORIP comments that were sent to the District;
- A copy of the District's comment letter that was sent to the MPO;
- A copy of the draft RTP checklist;
- A copy of the draft RTP and draft environmental document;
- A copy of the final RTP;
- A copy of the RTPs final environmental document;
- A copy of all subsequent RTP amendments that reflect a major revision to the RTP or RTIP that require a public hearing. (see Title 23 CFR 450.104 definitions of amendment, administrative modification and revision)
- A copy of the MPO/RTPA board resolutions adopting the RTP and certifying the Environmental document;
- A copy of the federal air quality conformity determination letter(s); and,
- A copy of the MPOs/RTPAs current public participation plan.

8 FULL PARTICIPATION REGIONAL TRANSPORTATION PLANNING

As stated in Section 1.02, regional transportation planning is a 3Cs approach: continuing, cooperative and comprehensive. It involves the entire community: individuals, federal, state, tribal governments, regional and local agencies, and public, private and community

based organizations all working together to identify how future regional transportation needs will be met.

Comprehensive regional transportation planning can be understood from several perspectives, among which are mode, participation and setting. All modes shall be considered. Decisions shall be made through formal government-to-government consultation with Native American Tribal Governments, and with the full participation of the community served. Consistent with a collaboratively crafted vision, the region will work together to determine how best to provide a full range of transportation options for all system users.

As stated in the eight planning factors in SAFETEA-LU, the goal is to:

- Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency
- Increase the safety of the transportation system for motorized and non-motorized users
- Increase the security of the transportation system for motorized and non-motorized users
- Increase the accessibility and mobility of people and for freight
- Protect and enhance the environment, promote energy conservation, improve the quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns
- Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight
- Promote efficient system management and operation
- Emphasize the preservation of the existing transportation system

8.01 A Public Participation Plan/Public Involvement Program

Each MPO/RTPA shall have a structure for public participation by developing a Public Participation Involvement Plan [23 USC 134(i)(5)(B)]. This plan will be the foundation for transportation planning decisions and shall contain these principles:

- Be developed in consultation with all interested parties
- Provide all interested parties reasonable opportunities to comment on the contents of the transportation plan

The Public Participation Plan should also take into consideration the transportation system as a whole and involve the entire community as well as the interplay and impact of transportation on other regional factors such as the economy, the environment and quality of life.

This structure should be periodically reviewed, its effectiveness evaluated, and changes made to better ensure full public participation and involvement. Like transportation planning efforts, review, update and evaluation of the public participation structure should be transparent and should fully involve all stakeholders.

Changes to the transportation system can have profound impacts on a region. Full, open and active involvement of all users and stakeholders is essential for successful regional transportation planning.

A partial listing of who should be involved includes:

- Community members and groups, and community based organizations
- Individuals and groups with special interests, needs and advocacy positions, e.g., ethnic, economic, environmental, modal, age, access, neighborhood
- Public and private transit operators, including paratransit; carpools/rideshare coordinators/transportation management agencies
- Emergency responders
- Regional airport and seaport operators, managers and authorities
- Trucking and freight rail operators and advisory councils
- Local, regional, intercity, commuter, and high speed rail planners and providers
- Local and regional planning agencies, e.g., city/county government, congestion management agencies, affected individuals and agencies in adjacent regions
- Native American Tribal Governments (formal consultation)
- Non-federally recognized Tribal communities
- State transportation agencies, e.g., California Highway Patrol, Department (Districts, affected HQ functions such as Mass Transportation, Aeronautics, Research and Innovation, Local Assistance, Traffic Operations)
- Federal agencies, e.g., FWHA/FTA, EPA, Bureau of Indian Affairs, resource agencies such as US Forest Service, National Park Service, National Marine and Fishery Service, Fish and Wildlife Service, and the US Army Corps of Engineers
- State resources entities, e.g., California Air Resources Board, California Resources Agency, Coastal Commission, California Energy Commission, California Environmental Protection Agency, State Water Board, Regional Water Quality Control Board, State Department of Fish and Game, Regional Waste Board
- Intelligent Transportation System interests such as the California Alliance for Advanced Transportation Systems.

The *RTP Guidelines* specify the following relative to public involvement during the development of the RTP:

- The regional agency seeks out and considers the needs of those traditionally under-served by existing transportation systems, including but not limited to low-income and minority households
- In non-attainment areas, the RTP is based on interagency consultation with air and environmental agencies and the public, and reflects coordination with local and regional air quality planning authorities
- Includes citizen involvement in the early stages of plan development, and
- Where there are Native American Tribal Governments within RTP boundaries, the tribal concerns have been addressed and the RTP was developed in consultation and cooperation with the Tribal Governments (formal consultation) and the Secretary of the Interior.

For more information on public participation go to:

www.fhwa.dot.gov

8.02 Native American Tribal Governments and Communities

Federal statute and regulations require that Tribal Governments be involved in the transportation planning and programming processes. SAFETEA-LU reiterates and expands existing requirements and re-emphasizes Tribal Government participation in transportation planning and programming processes as initiated by ISTEA and TEA 21.

Regional transportation agencies are sometimes uncertain of the governance underlying the need to involve Tribal Governments and/or the appropriate methods of involvement required. The following attempts to clarify, without going into contemporary Indian law, the "why" and "how" of Tribal Governmental participation in transportation planning and programming.

Consultation with Tribal Governments

Federally recognized Tribes are familiar with the federal "consultation" process, which requires agencies to identify when the agency is formally consulting with the Tribe. Consultation means that one party confers with another identified party and, prior to taking action(s), considers that party's views (CFR 23, Subpart A, § 450.104, Definitions). A tribal government is a sovereign entity, recognized as the political unit of a given tribe. Thus, consultation with tribes is mandated by law and separate from and precedent to the public participation process. Agencies should not only coordinate their plans with those of tribal governments within their boundaries, but also consider Tribal Governments' concerns about projects outside tribal jurisdiction that have the potential to impact Native American cultural resources or communities, as well as the needs of individuals within those communities.

Unless otherwise directed by the Tribe, correspondence should be addressed to the Tribal Chairperson. Because each Tribe has its own form of government and protocol

for how business is to be conducted, there is no singular approach. Tribes differ in their ability to finance leaders, spokespersons or administrative support. For example, Tribal leaders frequently participate on their own time and money. Agencies need to be cognizant of this and act accordingly, e.g., be flexible when and where meetings are scheduled. A meeting with the Tribal Government (most often referred to as the Tribal Council) is usually the most effective way to communicate. Be sure to provide enough time for the Tribal Government to respond, since most Tribal Governments meet once a month, and it may be difficult to put additional items on the agenda if not given enough time.

To obtain an expanded list of Native American Tribes, communities, organizations and individuals within RTPA/MPO boundaries, send a request to:

The Native American Heritage Commission, 915 Capitol Mall, Sacramento, CA 95814 or call (916) 653-4082. Caltrans Native American Liaisons also will be able to provide this information.

Public Participation

Public participation provides for public involvement of all citizens (including Native Americans), affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties of the community affected by transportation plans, programs and projects.

All Native Americans as individual citizens---regardless of whether they are members of Federally-recognized Tribes---can contribute to the public participation process. They belong to a minority, they may be low income, are traditionally underserved, and they may be associated with a community-based organization or be among the groups shown above. Within public participation forums, as individuals, they are not representing Tribal Governments.

Reviewing Planning Documents

Regional agencies and Caltrans district and headquarters staff are responsible for ensuring that individual RTPS and OWPS are in compliance with federal and state law. Tribal consultation and coordination requirements deserve particular attention when reviewing planning documents.

Regional agencies and Caltrans district and headquarters staff are responsible for ensuring that individual RTPs and OWPs are in compliance with federal and state law. Tribal consultation and coordination requirements deserve particular attention when reviewing planning documents. (For a complete listing of statute, regulations, and guidelines that establish the baseline for consultation and coordination, see (Appendix U)). Tribal Governments are separate entities from State and Federal government, yet they occupy adjacent land, and Native American cultural resources often overlap with lands under MPO/RTPA jurisdiction. Any time a work element may affect a Tribal

Government, it is important that there is a statement regarding the inclusion of an area's Tribal Governments in the planning process. In turn, any time that a work element identifies a degree of public participation, inclusion of Native American individuals and other disadvantaged groups must be documented.

Stating in a planning document that consultation and coordination are occurring is an important first step, but it is integral that this reflects an actual effort to consult with Native American tribes and individuals in the planning process.

9 FOR COMMENTS, SUGGESTIONS, OR MORE INFORMATION

For comments, suggestions, or more information contact Dara Wheeler at (916) 653-2355 or dara.wheeler@dot.ca.gov

Sample Work Element

801.04 CONGESTION MANAGEMENT PROGRAM/SYSTEM

A. Previous Work: AB 471 requires development of Congestion Management Programs for all urbanized counties in California. A Congestion Management Program was adopted in Fiscal Year 1991-92. Also, the Intermodal Surface Transportation Efficiency Act and SAFETEA-LU require a Congestion Management System. A Congestion Management Plan was adopted in 1996. The Measure K Renewal Program Ordinance, approved in November 2006, includes goals and provisions for update of the CMP and process to review and comment on local plans and development proposals in FY 2006/07.

B. Purpose: To implement the requirements of the Congestion Management Program, the Federal Congestion Management System and the Measure K Renewal Program. To begin establishing a process that flags and corrects new areas of congestion before they occur. To implement a technically sound and achievable set of planning methods that monitor the transportation system as well as the land use developments that generate trip making. Also to complete the work items identified in the plan.

C Tasks

- 1 CMP Modeling - Use of the transportation model to best meet the requirements of the adopted Congestion Management Program for San Joaquin County.
- 2 Maintain Congestion Management Program/System as necessary to meet local and state needs.
- 3 Complete update of the CMP and accompanying CEQA document. Initiate implementation of revised document by January 2008.
- 4 Assist in the development of Deficiency Plans as necessary.
- 5 Complete work necessary to comply with CMP requirements in SAFETEA-LU—June 2008.
- 6 Prepare CMP process and system in conformance with SAFETEA-LU Final Rule provisions.

D Products & Schedule:

- 1 Maintain transportation model that effectively measures regional impacts of modified General Plans - Continuous
- 2 Complete updated CMP and environmental documentation—January 2008.
- 3 Assist in preparation of Deficiency Plans - As Needed
- 4 Complete work necessary to comply with CMP requirements in SAFETEA-LU—June 2008
- 5 Review planning and development proposals in accordance with the CMP and provisions of the Measure K Renewal Ordinance—Continuous.

E Funding Source:

Federal Highway Administration PL- Local	\$ 70.0
Transportation Authority- Responsible	141.01
Agency: \$ (000)	

TABLE 1

FUNDING SOURCE	LTF FUNDS	PL FUNDS	FTA 5303 FUNDS	PPM FUNDS	GRANT FUNDS	AVA FUNDS	LOCAL FUNDS	TOTAL OF RTPA ACTIVITY
WORK ELEMENTS								
501.01 RTPA Administration	\$17,600	\$138,000						\$153,600
501.02 Overall Work Program	\$2,500	\$19,500						\$22,000
501.03 SAFF/TEA-LU Programs		\$17,700		\$2,300				\$20,000
501.04 Federal Transit Act Programs	\$2,300		\$17,700					\$20,000
502.01 Regional Transportation Plan		\$154,900		\$20,100				\$175,000
502.02 Travel Model		\$84,100		\$10,900				\$95,000
502.03 Transit Development Plan	\$2,900		\$22,100					\$25,000
502.04 Traffic Counts		\$15,000		\$2,000				\$17,000
502.05 Air Quality Planning		\$34,500		\$4,500				\$39,000
502.06 NJV Regional Blueprint				\$9,400	\$194,700			\$204,100
502.08 Human Service Coordination Plan	\$1,700		\$13,300					\$15,000
502.09 Vanpool and Rideshare Study					\$102,000		\$13,000	\$115,000
502.12 GIS System		\$8,900		\$1,100				\$10,000
503.01 Transportation Improvement Program		\$29,200		\$3,800				\$33,000
504.01 TDA Administration	\$20,000							\$20,000
505.01 Abandoned Vehicle Abatement Admin.						\$20,000		\$20,000
406.01 Areawide Clearinghouse Review							\$13,000	\$13,000
406.02 Regional Housing Needs Allocation							\$20,700	\$20,700
406.03 Census Data Center							\$16,000	\$16,000
TOTAL	\$47,000	\$499,800	\$63,100	\$64,100	\$296,700	\$20,000	\$62,700	\$1,033,400

TABLE 2

FUNDING SOURCE	LTF FUNDS		PL (FHWA) FUNDS		FTA 5303 FUNDS		PPM FUNDS		AVA FUNDS		GRANT FUNDS		LOCAL FUNDS		TOTAL OF RTPA ACTIVITY
	KCAG	CONSLT	KCAG	CONSLT	KCAG	CONSLT	KCAG	CONSLT	KCAG	CONSLT	KCAG	CONSLT	KCAG	CONSLT	
501.01 RTPA Administration	\$14,200	\$3,400	\$109,400	\$26,800											\$153,600
501.02 Overall Work Program	\$2,500	\$0	\$19,500	\$0											\$22,000
511.01 SAFETEA-LU Programs			\$17,700	\$0			\$2,300	\$0							\$20,000
501.04 Federal Transit Act Programs	\$2,300	\$0			\$17,700	\$0									\$20,000
502.01 Regional Transportation Plan			\$66,400	\$88,500			\$8,800	\$11,500							\$175,000
502.02 Travel Model			\$13,300	\$70,800			\$1,700	\$9,200							\$95,000
502.03 Rural Development Plan	\$2,900	\$0			\$22,100	\$0									\$25,000
502.04 Air Quality Council			\$15,000	\$0			\$2,000	\$0							\$17,000
502.05 Air Quality Modeling			\$28,300	\$8,200			\$3,700	\$800							\$39,000
502.06 Regional Humpout							\$3,800	\$5,800			\$77,800	\$116,800			\$204,100
502.08 Human Services Coordination Plan	\$1,700	\$0			\$13,300	\$0									\$15,000
502.09 Historical and Prehistoric Study											\$10,000	\$92,000	\$1,000	\$12,000	\$115,000
502.10 TMS System			\$8,900	\$0			\$1,100	\$0							\$10,000
513.01 Transportation Improvement Program			\$29,200	\$0			\$3,800	\$0							\$33,000
514.01 TIA Administration	\$15,000	\$5,000													\$20,000
515.01 Abandoned Vehicle Abatement Admin									\$6,000	\$14,000					\$20,000
435.01 Renewed Freight House Review													\$13,000	\$0	\$13,000
476.01 Regional Housing Needs Allocation													\$20,700	\$0	\$20,700
487.01 Census 2040 Study													\$16,000	\$0	\$16,000
SOURCE TOTAL	\$38,600	\$8,400	\$307,700	\$182,100	\$53,100	\$0	\$27,000	\$27,100	\$8,000	\$14,000	\$87,800	\$206,800	\$50,700	\$12,000	\$1,032,600
GRANT TOTAL	\$47,800		\$499,800		\$83,100		\$54,100		\$29,000		\$286,700		\$62,700		

OVERALL WORK PROGRAM AGREEMENT

1. The undersigned signatory MPO hereby commits to complete, this fiscal year FY (beginning July 1, 2008 and ending June 30, 2009), the annual Overall Work Program (OWP), a copy of which was approved on date and is attached as part of this OWP Agreement.
2. All of the obligations, duties, terms and conditions set forth in the Master Fund Transfer Agreement (MFTA), numbered number and executed with an effective date of date between agency name (MPO) and the Department of Transportation (STATE), are incorporated herein by this reference as part of this OWP Agreement for this FY.
3. The federal letters of approval from the Federal Transit Administration (FTA) and from the Federal Highway Administration (FHWA), dated date, and attachments, if applicable, which approved the attached OWP, are by this reference made an express part of this OWP Agreement.
4. MPO agrees to comply with FTA and FHWA matching requirements for "Consolidated Planning Grant" funds obligated and encumbered against this OWP Agreement. This OWP Agreement obligates and encumbers only these following federal funds: FHWA – Metropolitan Planning (PL), federal/local – 88.53/11.47; FHWA State Research and Planning (SP&R) – Partnership Planning, federal/local – 80/20; FTA Section 5303, federal/local – 88.53/11.47 and FTA Section 5304, federal/local – 88.53/11.47 as are specifically identified in Section 5 below. All local match funds are to be provided from non-federal sources.
5. Subject to the availability of funds this FY OWP funds encumbered by STATE include, but may not exceed, the following:

<u>Funding Source</u>	<u>Funding</u>	<u>Mandatory Local Match</u>
FHWA PL	\$ _____	\$ _____
FTA Sect. 5303	\$ _____	\$ _____
FTA Sect. 5304	\$ _____	\$ _____
FHWA SP&R Partnership Planning	\$ _____	\$ _____

6. Should MPO expend funds in excess of those encumbered against this FY OWP Agreement, those costs shall be borne solely by MPO.

Department of Transportation (STATE)	Name of Agency (MPO)
_____ Authorized Signature	_____ Authorized Signature
_____ Printed Name of Person Signing	_____ Printed Name of Person Signing
_____ Title	_____ Title
_____ Date	_____ Date

(For Use by Caltrans Accounting Only)
 The total amount of all federal funds encumbered by this document is \$ _____
 Fund Title: _____

(For Use by Caltrans Accounting Only)
 The total amount of all State funds encumbered by this document is \$ _____
 Fund Title: _____

<u>Item</u>	<u>Chapter Statute Fiscal Year</u>
E.A. /Subjob	Encumbrance Document Number (For Accounting Use Only)

<u>Item</u>	<u>Chapter Statute Fiscal Year</u>
E.A. /Subjob	Encumbrance Document Number (For Accounting Use Only)

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and expenditure purpose stated above.

 Signature of Department of Transportation Accounting Officer

 Date

Contract Number _____
 Document Number _____

OVERALL WORK PROGRAM AGREEMENT

1. The undersigned signatory RTPA hereby commits to complete the annual Overall Work Program (OWP), a copy of which was approved on date.
2. All of the obligations, duties, terms and conditions set forth in the Master Fund Transfer Agreement (MFTA), numbered number and executed with an effective date of date between agency name (RTPA) and the Department of Transportation (STATE), are incorporated herein by this reference as part of this OWP Agreement.
3. This OWP Agreement obligates and encumbers only these following funding sources: State Highway Account – Rural Planning Assistance (RPA) funds, Federal Highway Administration (FHWA) State Research and Planning (SP&R) – Partnership Planning Element (FHWA – SP&R Part. Planning) and Federal Transit Administration Section 5304 (FTA Sect. 5304 as are specifically identified in Section 4 below). RTPA agrees to comply with FHWA and FTA matching requirements for “Consolidated Planning Grant” funds obligated and encumbered against this OWP Agreement: FHWA – SP&R Part. Planning, federal/local – 80/20; and/or FTA Sect. 5304, federal/local – 88.53/11.47, Rural Blueprint federal/local – 80/20). All local match funds are to be provided from non-federal sources.

4. Subject to the availability of funds, this FY OWP funds encumbered by STATE include, but may not exceed, the following:

<u>Funding Source</u>	<u>Funding</u>	<u>Mandatory Local Match, if applicable</u>
RPA – State Highway Account	\$ _____	\$ _____
FHWA –SP & R Part. Planning	\$ _____	\$ _____
FTA Sect. 5304	\$ _____	\$ _____
Rural Blueprint	\$ _____	\$ _____

5. Should RTPA expend funds in excess of those encumbered by STATE against this OWP Agreement, those costs shall be borne solely by RTPA.

Department of Transportation (STATE)	Name of Agency (RTPA)
Authorized Signature	Authorized Signature
Printed Name of Person Signing	Printed Name of Person Signing
Title	Title
Date	Date

(For Use by Caltrans Accounting Only)	(For Use by Caltrans Accounting Only)
The total amount of all federal funds encumbered by this document is \$: _____	The total amount of all State funds encumbered by this document is \$: _____
Fund Title: _____	Fund Title: _____

<u>Item</u>	<u>Chapter Statute Fiscal Year</u>	<u>Item</u>	<u>Chapter Statute Fiscal Year</u>
E.A. /Subjob	Encumbrance Document Number	E.A. /Subjob	Encumbrance Document Number
	(For Accounting Use Only)		(For Accounting Use Only)

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and expenditure purpose stated above.

Signature of Department of Transportation Accounting Officer _____ Date _____

NAME OF MPO
ADDRESS OF MPO
 CONSOLIDATED PLANNING GRANT (CPG)
 Federal Highway Administration (FHWA) and Federal Transit Administration (FTA)

REQUEST FOR REIMBURSEMENT
 NUMBER _____, Fiscal Year 2010-2011

The **FILL IN AGENCY NAME**, a Metropolitan Planning Organization requests reimbursement in the amount of \$_____ for the period beginning _____ through and inclusive of _____. I certify that I am a duly authorized representative of **FILL IN AGENCY NAME** and the request for reimbursement is consistent with the terms of the Master Fund Transfer Agreement, numbered _____ and dated _____, entered into between **FILL IN AGENCY NAME** and the State of California, Department of Transportation. The reimbursement request is for work completed in accordance with the **2010- 11** approved Overall Work Program. **By signing this Request for Reimbursement Form, FILL IN AGENCY NAME certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.**

2010-11 OWPA Authorized	_____
Total Invoices Year-to-Date	_____
Current Invoice	_____
Balance	\$ -

***Current Reimbursement Breakdown. This portion must be completed by local agency to receive reimbursement.**

		Local Funds	and/or	In-Kind Service
FHWA PL Funds	Local Match (11.47%) for PL	\$ -		_____
FTA Sec. 5303 Funds	Local Match (11.47%) for Sec. 5303	\$ -		_____
FTA Sec. 5304 Funds	Local Match (11.47%) for Sec. 5304	\$ -		_____
FHWA SPR PP Funds	Local Match (20%) for SPR PP	\$ -		_____
Regional Blueprint Planning	Local Match (20%) for BP	\$ -		_____

Name & Title (please print)	Signature	Date
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Department of Transportation Use Only

I certify that I am duly authorized by the Department of Transportation to approve payment to **FILL IN AGENCY NAME** in the amount of \$_____. **FILL IN AGENCY NAME** has an approved Overall Work Program and the request for reimbursement is consistent with the Master Fund Transfer Agreement between the State of California, Department of Transportation and **FILL IN AGENCY NAME**. This authorization to pay acknowledges receipt of services billed.

Vendor# <small>Accounting Use Only</small>	Name (please print)	Signature	Date
--	---------------------	-----------	------

TC_____	Source Dist 74	Source Unit 162	Project #		FA 6	ObjCode 049
Amount \$	FY	RPI	N	Contract #		
TC_____	Source Dist 74	Source Unit 162	Project #		FA 6	ObjCode 049
Amount \$	FY	RPI	N	Contract #		
TC_____	Source Dist 74	Source Unit 162	Project #		FA 6	ObjCode 049
Amount \$	FY	RPI	N	Contract #		
TC_____	Source Dist 74	Source Unit 162	Project #		FA 6	ObjCode 049
Amount \$	FY	RPI	N	Contract #		
TC_____	Source Dist 74	Source Unit 162	Project #		FA 6	ObjCode 049
Amount \$	FY	RPI	N	Contract #		

Date Dist received Invoice	Invoice Dispute Notification Sent	Date Invoice Sent to HQ Accounting
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**RTPA
Address
City, State**

**RURAL PLANNING ASSISTANCE (State Highway Account Only)
REQUEST FOR REIMBURSEMENT Fiscal Year 2010-11**

Agency Invoice No. _____ Internal Revenue Service No. _____
--

The _____ fill in agency name _____, a Regional Transportation Planning Agency, requests reimbursement in the amount of _____. For the period beginning date _____ and through and inclusive of _____ date _____.

I certify that I am a duly authorized representative of _____ fill in agency name _____, and the request for reimbursement is consistent with the terms of the Master Fund Transfer Agreement dated _____ fill in date _____ entered into between _____ fill in agency name _____ and the STATE. The reimbursement request is for work completed in accordance with the 2010-11 approved Overall Work Program. I certify that all STATE matching requirements have been met.

2010-11 RPA OWPA Authorized	\$ _____
Invoices Year to Date	\$ _____
Current Invoice	\$ _____
Balance	\$ _____

Name (Please print)

Signature

Date

(Department of Transportation Use Only)

Project ID # _____	Contract # _____
---------------------------	-------------------------

I certify that I am duly authorized by the Department of Transportation to approve payment to _____ fill in agency name _____ in the amount of _____. _____ Fill in agency name _____ has an approved Overall Work Program and the request for reimbursement is consistent with the Master Fund Transfer Agreement between the STATE and _____ fill in agency name _____. This authorization to pay acknowledges receipt of services billed.

Name (Please print)
Phone Number _____

Signature

Date

**RTPA
Address
City, State, Zip**

FTA SECTION 5304, SPR PARTNERSHIP PLANNING, and Rural Blueprint **ONLY**

REQUEST FOR REIMBURSEMENT
INVOICE NUMBER _____, Fiscal Year 2010-2011

The **FILL IN AGENCY NAME**, a Regional Transportation Planning Agency, requests reimbursement in the amount of \$_____ for the period beginning _____ through and inclusive of _____. I certify that I am a duly authorized representative of **FILL IN AGENCY NAME** and the request for reimbursement is consistent with the terms of the Master Fund Transfer Agreement, dated _____, entered into between **FILL IN AGENCY NAME** and the State of California, Department of Transportation. The reimbursement request is for work completed in accordance with the **2010-11** approved Overall Work Program. **By signing this Request for Reimbursement Form, FILL IN AGENCY NAME certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.**

2010-11 FTA 5304 OWPA Authorized	_____
2010-11 FHWA SPR PP OWPA Authorized	_____
2010-11 Rural Blueprint OWPA Authorized	_____
Total Invoices Year-to-Date	_____
Current Invoice	_____
Balance	\$ _____ -

*Current invoice Breakdown. This portion must be completed by local agency to receive reimbursement.

		Local Funds	and/or	In-Kind Service
FTA Sec. 5304 Funds	Local Match (11.47%) for Sec. 5304	\$ -		_____
FHWA SPR PP Funds	Local Match (20%) for SPR PP	\$ -		_____
Rural Blueprint	Local Match (20%) for BP	\$ -		_____

Name & Title (please print)	Signature	Date
Department of Transportation Use Only		

I certify that I am duly authorized by the Department of Transportation to approve payment to **RTPA Name** in the amount of \$ _____. **RTPA Name** has an approved Overall Work Program and the request for reimbursement is consistent with the Master Fund Transfer Agreement between the State of California, Department of Transportation and **RTPA Name**. This authorization to pay acknowledges receipt of services billed.

Vendor# <small>Accounting Use Only</small>	Name (please print)	Signature	Date
--	---------------------	-----------	------

TC_____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI_____ N	Contract #	
TC_____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI_____ N	Contract #	
_____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI_____ N	Contract #	

Date Dist received Invoice Invoice Dispute Notification Sent Date Invoice Sent to HQ Accounting

**MPO
Address
City, State**

**Certification of Expenditure by Fund Source
Fiscal Year 2009/10**

I certify that I am a duly authorized representative of the **MPO** and the following statement of expenditure of funds is consistent with the terms of the Master Fund Transfer Agreement, numbered _____, dated _____, entered into between the **MPO** and the State.

I have attached a copy of the Statement of Expenditures by fund source and work element. Matching funds are identified. The expenditures shown are for work completed in accordance with the Fiscal Year 2009/10 approved Overall Work Program. I certify that all state and federal matching requirements have been met.

Metropolitan Planning (PL/FHWA)	\$	_____
FTA Section 5303	\$	_____
FTA Section 5305	\$	_____
SPR -- Partnership Planning	\$	_____
Total Consolidated Grant		_____

I understand that this represents a final statement of expenditure for the 2009/10 fiscal year and no future requests for reimbursement will be processed by the State for payment.

Name (Please print)

Signature

Title (Please print)

Date

Division of Transportation Planning Grant Program

Quarterly Progress Report for FTA 5304, Transit Planning (Statewide, Technical Assistance or Professional Development) and FHWA Partnership Planning Grants

FY (e.g. 10/11) Quarter (e.g. 2nd-Oct., Nov., Dec.)

OWP Work Element Number _____

<p><i>District:</i></p> <p><i>District Grant Manager: (name/phone)</i></p> <p><i>Project Title:</i></p> <p><i>Grant Applicant:</i></p> <p><i>Grant Program: (e.g. 5305 Technical Assistance or Partnership Planning)</i></p> <p><i>Project End Date:</i></p> <p><i>Date Funds expire:</i></p>	
---	--

	Grant Funds	Total Local Match Cash / In-kind	Estimated % of Project Completed to Date	% of Total Amount Expended to Date
Total Authorized				
Funds Expended to Date			%	%
Balance Available				

1. Project status/general comments for the quarter (progress, problems encountered, products completed etc.)

2. Have any Scope of Work changes been made this quarter?

3. Has the Project end date been changed this quarter?

<i>Quarterly Report Prepared By:</i>	<i>Date:</i>
--------------------------------------	--------------

Partnership: Regional Blueprint Planning Grants
Quarterly Progress Report FY2008-09

FY (e.g. 08/09) Quarter (e.g. 2nd-Oct., Nov., Dec.)

OWP Work Element Number _____

District: _____
District Grant Manager (name/phone) _____
Project Title: _____
Grant Applicant: _____
Project End Date _____
Date Funds Expire _____

	Grant Funds	Total Local Match Cash / In-kind		Estimated % of Project Completed to Date	% of Total Amount Expended to Date
Total Authorized					
Funds Expended to Date				%	%
Balance Available					

- Summarize progress this quarter toward addressing the six program criteria for building a regional vision to: a) foster a more efficient regional land use pattern; b) improve mobility through a combination of strategies and investments; c) accommodate adequate housing supply for the full spectrum of the population; d) minimize impacts to valuable habitat and productive farmland; e) increase efficient use of energy, water, building materials, and overall conservation to protect the environment; and f) secure local government and community support.
Highlight successes, any obstacles or challenges that were encountered and the strategies or actions being taken to address them.

2. Identify tasks, milestones and products completed during each month.
Attach examples of materials that illustrate milestones and/or products, e.g., flyer, meeting agenda, newspaper article. (If these are available on a website or through other means, note this instead.)

Month	Task	Product	Percent Completed
January			
February			
March			

3. Describe the community outreach/public participation strategies being used to engage the full spectrum of the population, including: local elected officials; city and county agencies; Tribal Governments; organizations representing business, labor, the community, and the environment; community leaders; neighborhood groups; and the general public. What role do these stakeholders play in the decision making process? Please describe any notable outcomes.

4. Describe the progress in developing/using performance measures to address the objectives of this program and the regional vision in the areas of transportation, land use, jobs, housing and environment.

<i>Quarterly Report Prepared By:</i>	<i>Date:</i>
	<i>Date:</i>

***CALTRANS TRANSPORTATION PLANNING GRANT
PROGRAM CLOSE- OUT REPORT***

(To be completed by District Planning Staff)

FOR FTA 5305 TRANSIT PLANNING AND FHWA PARTNERSHIP PLANNING GRANTS

Type of Grant Program: 5304 Transit Planning Partnership Planning
(circle one)

Grant Applicant: _____

Project
Title: _____

OWP Work Element Number: _____

Date Project was completed: _____

Quarter and FY of final progress report: _____

Date final work product sent to HQ: _____

Amount of grant funds awarded: _____

Amount of unspent federal grant funds at project completion: _____

I hereby attest that the project named above is complete and that the Work Element number assigned to this project in the Overall Work Program has been retired for the current Fiscal Year.

District Grant Manager Signature

Date

**PLEASE FORWARD THIS FORM ALONG WITH THE FINAL WORK PRODUCT TO THE
HQ OFFICE OF REGIONAL AND INTERAGENCY PLANNING**

I verify/confirm that the tasks listed above are completed and the final Request for Reimbursement (RFR) has been submitted for the funds named above.

District Grant Manager Signature

Date

**PLEASE FORWARD THIS FORM ALONG WITH THE FINAL WORK PRODUCT TO THE
HQ OFFICE OF REGIONAL AND INTERAGENCY PLANNING**

	Yes/No	Page #
c. Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584? (MPOs only)		
d. Identify a transportation network to service the transportation needs of the region? (MPOs only)		
e. Gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01? (MPOs only)		
f. Consider the state housing goals specified in Sections 65580 and 65581? (MPOs only)		
g. Utilize the most recent planning assumptions, considering local general plans and other factors? (MPOs only)		
h. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the ARB? (MPOs only)		
i. Provide consistency between the development pattern and allocation of housing units within the region (Government Code 65584.04(i)(1))? (MPOs only)		
j. Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Section 7506)? (MPOs only)		
4. Does the RTP include Project Intent i.e. Plan Level Purpose and Need Statements?		
5. Does the RTP specify how travel demand modeling methodology, results and key assumptions were developed as part of the RTP process? (Government Code 14522.2) (MPOs only)		
<u>Consultation/Cooperation</u>		
1. Does the RTP contain a public involvement program that meets the requirements of Title 23, CFR part 450.316(a)?		

	Yes/No	Page #
2. Did the MPO/RTPA consult with the appropriate State and local representatives including representatives from environmental and economic communities; airport; transit; freight during the preparation of the RTP? (23CFR450.316(3)(b))		
3. Did the MPO/RTPA who has federal lands within its jurisdictional boundary involve the federal land management agencies during the preparation of the RTP?		
4. Where does the RTP specify that the appropriate State and local agencies responsible for land use, natural resources, environmental protection, conservation and historic preservation consulted? (23 CFR part 450.322(g))		
5. Did the RTP include a comparison with the California State Wildlife Action Plan and (if available) inventories of natural and historic resources? (23 CFR part 450.322(g))		
6. Did the MPO/RTPA who has a federally recognized Native American Tribal Government(s) and/or historical and sacred sites or subsistence resources of these Tribal Governments within its jurisdictional boundary address tribal concerns in the RTP and develop the RTP in consultation with the Tribal Government(s)? (Title 23 CFR part 450.316(c))		
7. Does the RTP address how the public and various specified groups were given a reasonable opportunity to comment on the plan using the participation plan developed under 23 CFR part 450.316(a)? (23 CFR 450.316(i))		
8. Does the RTP contain a discussion describing the private sector involvement efforts that were used during the development of the plan? (23 CFR part 450.316 (a))		
9. Does the RTP contain a discussion describing the coordination efforts with regional air quality planning authorities? (23 CFR 450.316(a)(2)) (MPO nonattainment and maintenance areas only)		
10. Is the RTP coordinated and consistent with the Public Transit-Human Services Transportation Plan?		
11. Were the draft and adopted RTP posted on the Internet? (23 CFR part 450.322(j))		
12. Did the RTP explain how consultation occurred with locally elected officials? (Government Code 65080(D)) (MPOs only)		
13. Did the RTP outline the public participation process for the sustainable communities strategy? (Government Code 65080(E)) (MPOs only)		

Modal Discussion

1. Does the RTP discuss intermodal and connectivity issues?		
---	--	--

2. Does the RTP include a discussion of highways?
3. Does the RTP include a discussion of mass transportation?
4. Does the RTP include a discussion of the regional airport system?
5. Does the RTP include a discussion of regional pedestrian needs?
6. Does the RTP include a discussion of regional bicycle needs?
7. Does the RTP address the California Coastal Trail? (Government Code 65080.1) **(For MPOs and RTPAs located along the coast only)**
8. Does the RTP include a discussion of rail transportation?
9. Does the RTP include a discussion of maritime transportation (if appropriate)?
10. Does the RTP include a discussion of goods movement?

Yes/No	Page #

Programming/Operations

1. Is a congestion management process discussed in the RTP? (23 CFR part 450.450.320(b)) **(MPOs designated as TMAs only)**
2. Is the RTP consistent (to the maximum extent practicable) with the development of the regional ITS architecture?
3. Does the RTP identify the objective criteria used for measuring the performance of the transportation system?
4. Does the RTP contain a list of un-constrained projects?

Financial

1. Does the RTP include a financial plan that meets the requirements identified in 23 CFR part 450.322(f)(10)?
2. Does the RTP contain a consistency statement between the first 4 years of the fund estimate and the 4-year STIP fund estimate? (2006 STIP Guidelines, Section 19)
3. Do the projected revenues in the RTP reflect Fiscal Constraint? (23 CFR part 450.322(f)(10)(ii))
4. Does the RTP contain a list of financially constrained projects? Any regionally significant projects should be identified. (Government Code 65808(3)(A))

**Indirect Cost Allocation Plan
(ICAP) Definitions and Reoccurring Issues
APPENDIX**

Definitions:

Indirect costs – Those costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefited, e.g. cost of renting the office space/building, audit services, postage, utilities, and misc. supplies.

Direct costs – Any cost that can be specifically identified to a final cost objective, e.g. direct labor costs of engineers, project related travel, photocopies, rental of equipment and consultants.

Central Service Cost Allocation Plan – Documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a government unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

Public Assistance Cost Allocation Plan – A narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to all of the programs administered or supervised by State public assistance.

Indirect Cost Rate Proposal – Documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate.

Cost Allocation Plan – The Central Service Cost Allocation Plan, Public Assistance Cost Allocation Plan, and Indirect Cost Rate Proposal.

Indirect Cost Rate Calculation –

$\frac{\text{Indirect Cost}}{\text{Direct Salaries + Fringe Benefits}}$

Examples:

Allowable Costs – Audit services, communications, compensation for indirect personnel services, depreciation, rent, and travel.

Unallowable Costs – Alcoholic beverages, bad debts, contingencies, contributions and donations, entertainment, lobbying, equipment and other capital expenditures, certain

advertising and public relations costs, certain memberships, and general government expenses

The following items tend to be areas that are of particular importance when reviewing OWPs and its related invoices. If you have any questions regarding a cost on an invoice, please contact HQ Regional Planning staff prior to approval:

- Conflict of Interest
- Inappropriate billings
- Unsupported Direct Labor costs
- Billing of Indirect costs with no approval rate or billing incorrect rate
- Small agencies that share staff/ and or accounting systems with other agencies.
- Inaccurate treatment of overtime and the effective hourly rate
- Independent audit-or- (Certified Public Accountant) performing routine accounting functions and providing an opinion on the financial statements.

The following two websites provide additional information about the ICAP procedure and definitions:

CFR, Part 225.55:

http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

2 CFR, Part 225.55 has information on definitions, State/Local-Wide Central Service Cost Allocation Plans (Attachment C), Public Assistance Cost Allocation Plans (Attachment D), and the State and Local Indirect Cost Rate Proposals (Attachment E)

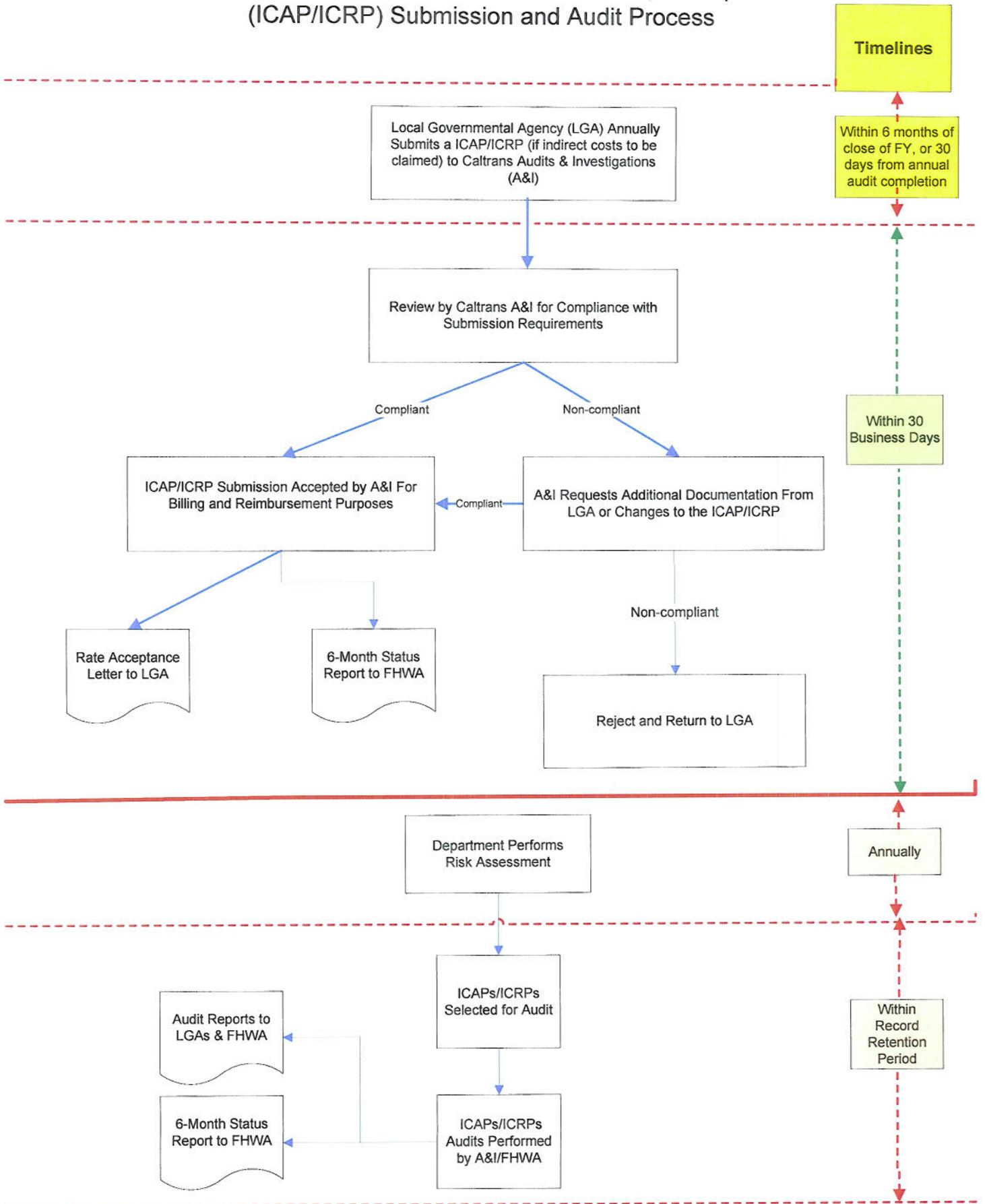
Public Assistance Procedures Manual, Chapter 5 Accounting/Invoice Section 5.14 - Obtaining Approval for Indirect Costs:

http://www.dot.ca.gov/hq/LocalPrograms/lam/prog_p/p05accin.pdf

Please contact Audits & Investigations if there are any questions about the ICAP procedure

Attachment A

Indirect Cost Allocation Plan /Indirect Cost Rate Proposal (ICAP/ICRP) Submission and Audit Process



Attachment B
Indirect Cost Allocation Plan/Indirect Cost Rate Proposal
Submission, Audit, and Documentation Requirements

Annual ICAP/ICRP Submission Process

- Local Government Agencies (LGA) will submit an Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) to the Department for review and acceptance prior to invoicing for indirect costs. If allocated central service costs are included in an ICRP, the LGA should also submit its Central Service Cost Allocation Plan (CSCAP) along with the ICRP to the Department. For LGAs that receive federal funds each year, a fixed rate with carry forward should be used. LGAs that do not receive federal funds annually should submit a predetermined rate.
- Within 30 business days of receipt, the Department will review the ICAPs/ICRPs received for compliance to the submission requirements of 2 CFR Part 225. The Department's acceptance must be received by the LGA prior to the LGA billing for indirect costs.
- If necessary, the Department will advise LGAs of the additional documentation needed to support/evaluate the proposed plan or identify changes required to make the proposed plan compliant.
- Non-compliant submissions may be returned to the LGA if requested documentation is not provided or required changes are not made within 5 business days of notification to the LGA of the additional document(s) needed or changes required.
- LGAs with an ICAP/ICRP approved by a cognizant federal agency will submit a copy of the cognizant federal agency approval, the approved proposal, plan, subsidiary worksheets, and other relevant data (see "Documentation of Proposal" section below) to the Department.
- LGAs should submit ICAPs/ICRPs within six months after the close of the LGA's fiscal year or within 30 days from the date the LGA's annual audit is complete. LGAs will have until December 31, 2011, to submit prior fiscal year ICAPs/ICRPs. LGAs that submit an ICAP/ICRP after this timeframe are at risk of unreimbursed indirect costs.
- If overall fringe benefit rates are not approved for the LGA as part of the CSCAP, a proposed fringe benefit rate and computation should accompany the ICAP/ICRP submittal.
- The Department will issue rate acceptance letters for ICAPs/ICRPs that were previously accepted and awaiting audit. The Department will also provide a six-month status report to FHWA.

Timeline

The Department is committed to issuance of a rate acceptance letter within 30 business days of Department receipt, provided that the ICAP/ICRP package is in compliance with all submission requirements of 2 CFR Part 225.

ICAP/ICRP Audits

Annually, the Department will perform a risk assessment of submitted ICAPs/ICRPs for audit. If an ICAP/ICRP is selected for audit, the LGA will be notified. The Department will perform an audit to determine whether the ICAP/ICRP complies with the applicable cost principles. Material audit adjustments will require reimbursement if proposals are later found to have included costs that are unallowable as specified by law or regulation or by the terms and conditions of federal or State awards. FHWA may also conduct reviews/audits.

Documentation of Proposal

All LGAs desiring to claim indirect costs for federal-aid and/or State funded projects must prepare an ICAP/ICRP and related documentation to support those costs. All documents related to the ICAP/ICRP must be retained for audit in accordance with the record retention requirements in the "Common Rule," 49 CFR Part 18 and Master Agreements between the LGA and the Department.

The following documentation shall be included with each proposal as prescribed by 2 CFR Part 225:

1. ICAP/ICRP

- a. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.
- b. Subsidiary worksheets should include the following:
 - Schedule of actual direct / indirect /unallowable costs incurred by cost category type (i.e., rent, utilities, depreciation, etc.) as well as by departmental unit.
 - Schedule of budgeted direct costs and indirect costs by cost category type and department unit (include Board approval, etc.)
 - Schedule showing calculation of the over/under carry forward provision when "fixed rate" is used.
- c. A copy of the financial data (financial statements, comprehensive annual financial report, single audit reports and management reports, if applicable, etc.) on which the rate is based.
- d. The approximate amount of direct base costs to be incurred under federal-aid and State reimbursement. These costs should be distinguished between salaries and wages and other direct costs.
- e. A chart identifying the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. (Once this is submitted, only revisions need be submitted with subsequent proposals)
- f. Certification that the ICAP/ICRP was prepared in a manner consistent and is in compliance with the Cost Principles of 2 CFR Part 225. (See Attachment D for Sample Certification)
- g. The Department's Submission Review Checklist to assist LGAs in understanding the documentation that is used to review each submittal. (See Attachment C for Submission Review Checklist)

2. Central Service Cost Allocation Plan

If allocated central service costs are included in an ICRP, the LGA should also submit its CSCAP along with the ICRP to the Department. LGAs submitting their CSCAP to the Department should submit a Certificate of Cost Allocation Plan, document their plan, and include supporting documentation in accordance with 2 CFR 225, Appendix C, Section E. See ASMB C-10 for a sample Central Service Cost Allocation Plan and supporting documentation.

Attachment C
LGA ICAP/ICRP SUBMISSION REVIEW CHECKLIST

Name of Agency _____ Date Completed _____
Name of Preparer _____ ICAP/ICRP Period _____

A. ICAP/ICRP Submission Checklist:

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Schedule showing calculation of rates proposed including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data noted below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Subsidiary worksheets should include the following:			
• Schedule of actual direct / indirect /unallowable costs incurred by cost category type (rent, utilities, depreciation, etc.) and departmental unit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Schedule of budgeted direct costs and indirect costs by cost category type and department unit (include Board approval).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Schedule showing calculation of the over/under carry forward provision when "fixed rate" is used. Include the carry-forward calculation worksheet.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. A copy of the financial data (financial statements, comprehensive annual financial report, single audit reports and management reports, including notes, if applicable, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Document whether fringe benefit rate computations are included in the Plan. If not, please explain why.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. The approximate amount of direct base costs to be incurred under federal-aid and State reimbursement. These costs should be distinguished between salaries and wages and other direct costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. A chart identifying the organizational structure of the agency during the period for which the proposal applies along with a functional statement noting the duties and/or responsibilities of all agency units. (Once this is submitted, only revisions need be submitted with subsequent proposals)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Certification, dated and signed by an appropriate official, that the ICAP/ICRP was prepared in a manner consistent and is in compliance with the Cost Principles of 2 CFR Part 225. (See Attachment D for Sample Certification)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. Central Service Cost Allocation Plan Submission Checklist:

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|--------------------------|--------------------------|--------------------------|
| a. Certificate of Cost Allocation Plan, dated and signed by an appropriate official. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Supporting documentation demonstrating compliance with 2 CFR 225, Appendix C, Section E. (See ASMB C-10 for a Sample Central Service Cost Allocation Plan and documentation.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

C. Optional Information:

(Note: The requested information below is optional for ICAP/ICRP submission purposes)

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Was it determined that the Federal Highway Administration (FHWA) is your cognizant agency for all submitted rates? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the Plan contain an explanation of significant changes from procedures as reported in the previous cost plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Was the ICAP/ICRP audited for compliance with 2 CFR 225 by an Independent Auditor in accordance with Government Auditing Standards? (If so, please provide a copy of the audit report) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4. Insert the approximate amount of annual direct costs incurred under all federal and State awards as follows: Direct Salaries and Wages: \$ _____; Total: \$ _____;

5. Insert the estimated indirect costs to be billed for reimbursement of state and federal funds: \$ _____.

6. For Other Post-Employment Benefits (OPEB) GASB 45 Compliance

Note: In accordance with FHWA Policy, the amortization period for compliance with GASB 45 must be a minimum of 20 years to ensure equitable, consistent, and reasonable OPEB reimbursement rates for all local agencies within the state of California receiving Federal funding from the FHWA. Therefore, only an amortization period of between 20 to 30 years will be allowed to calculate the reimbursement rate for OPEB benefits for FHWA funded projects in the State of California.

a. Does the Plan include a Certificate of Actuarial Assumption, dated and signed by a responsible official, that identifies the Other Post Employment Benefits liability and amortization schedule?

b. Does the Plan have Other Post-Employment Benefits that are funded?

7. Central Service Allocation:

(Note: A local agency, which has been assigned a cognizant federal agency by the OMB, must submit its Indirect Cost Rate Proposal and Central Service Cost Allocation Plan to its cognizant federal agency for approval. A list of the cognizant federal agencies assigned to state and local agencies can be located at the Federal Audit Clearinghouse website. If allocated central service costs are included in an ICRP, the LGA should provide information noted below.)

a. If FHWA is your cognizant agency list all central service departments, including proprietary funds that indirectly bill departments:

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|---|--------------------------|--------------------------|--------------------------|
| b. Are schedules and supporting documentation provided for each central service department indirect cost allocation included in the Plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are narratives provided for each central service department? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Are rate-setting methodologies included for each central service department? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

10/1/17

**ATTACHMENT E
SAMPLE ICAP/ICRP SCHEDULES**

FY 11/12 INDIRECT COST CARRYFORWARD CALCULATION FOR FY 09/10

	Actual FY 09/10	Reference	ACTUAL FY 10/11	Estimated FY 11/12	Reference
Approved ICAP Rate	60.25%	<i>FY 09/10 approved rate</i>			
Beginning Carryforward (FY 07/08)	\$ 15,346	<i>FY 09/10 approved ICAP/ICRP</i>		\$ 26,874	<i>FY 09/10 carryforward **</i>
Actual Indirect Costs	181,654	<i><Actual cost detail from page 4></i>		235,630	<i><from ICAP/ICRP rate detail page 3></i>
Total Indirect Costs	<u>\$ 197,000</u>		\$ -	<u>\$ 262,504</u>	
Actual Direct Salaries & Fringe Benefits Approved Rate	\$ 282,366	<i><Actual cost detail from page 4></i>		\$ 352,444	<i><from ICAP/ICRP rate detail page 3></i>
Recovered Indirect Costs (approved rate x actual base)	<u>\$ 170,126</u>	<i>FY 09/10 approved rate</i>			
Ending Carryforward (total Indirect costs - Recovered Indirect Costs)	\$ 26,874	<i>To FY 11/12 rate calculation <To page 1></i>			74.48% FY 11/12 Calculated Rate (Total Indirect costs / Actual Direct Salaries & Fringe Benefits)

* As required by 2 CFR, Part 225.55 all costs and rates identified on this page are referenced to the schedule(s) and document(s) that support the stated amount and rate.

** The costs for FY 11/12's Beginning Carryforward come from the FY 09/10 actual costs, i.e. two years prior to the ICAP/ICRP year submitted. The actual direct labor costs and actual indirect costs should be supported by audited financial statements. If the audited financial statements do not provide details then the audited general ledger detail should be provided and reconciled to the audited financial and/or any schedule(s) included in the ICAP/ICRP package. Any differences in the statements amounts should be fully explained. Any adjustments made to audited figures should also be fully explained (i.e. unallowable costs).

DIRECTOR'S POLICY

Number: 19
 Effective Date: 08-29-01
 Supersedes: New

TITLE Working with Native American Communities

POLICY

When working on issues affecting Native American communities, the Department of Transportation (Department) acts consistently, respectfully and sensitively. When there are regulatory, statutory and/or procedural impediments limiting the Department's ability to work effectively and consistently with Native American communities, the Department seeks to resolve such impediments.

The Department establishes and adheres to government-to-government relationships when interacting with federally recognized California Native American Tribes (Tribal Governments). The Department:

- Acknowledges these tribes as unique and separate governments within the United States.
- Ensures that its programs and activities avoid or minimize adverse impacts to cultural and other resources.
- Recognizes and respects important California Native American rights, sites, traditions and practices.
- Consults with Tribal Governments prior to making decisions, taking actions or implementing programs that may impact their communities.

INTENDED RESULTS

When engaging in activities or developing policies that affect Native American tribal rights or trust resources, the Department acts in a knowledgeable, sensitive and respectful manner.

Native American communities include lands held in trust by Tribal Governments, communities of non-federally recognized tribes, tribal members of California tribes living outside the exterior boundaries of a reservation or rancheria, Native Americans that are not part of a California tribe living in California.

RESPONSIBILITIES

Director: Works with Tribal Governments to achieve the intended results of this policy either directly or through subordinates.

Deputy Director, Planning and Modal Programs:

- Has lead responsibility for the development and implementation of departmental policy regarding issues impacting Native American communities.
- Coordinates the activities of and serves as the Director's representative and ex-officio member to the Director's Native American Advisory Committee.
- Advises Districts, Divisions, agencies and states to resolve issues or concerns of Native American communities.

Deputy Director, Civil Rights:

- Develops and implements departmental policy on issues regarding Civil Rights, Disadvantaged Business Enterprises (DBE) and Tribal Employment Rights Ordinances (TERO) as they relate to Native Americans and Native American communities.
- Advises Tribal Governments and the Department on Title VI provisions as they relate to Native Americans.

Deputy Director, Project Delivery:

- Develops and implements departmental policy on issues regarding environmental and cultural resources as they relate to Native American communities.
- Develops procedures to implement this policy as it relates to project delivery issues.

Deputy Director, Maintenance and Operations: Develops procedures to implement this policy as it relates to the maintenance and operation of State transportation facilities.

District Directors:

- Promote, establish and manage government-to-government relationships between the Department and Tribal Governments.
- Coordinate District activities with the Native American Liaison Branch.

Division Chiefs and Program Manager: Develop procedures to implement this policy as it relates to their respective areas of responsibility.

Chief, Division of Transportation Planning:

- Oversees the Department's Native American Liaison Branch that:
 - Serves as Department ombudspersons on Native American issues and initial contact for Native American legal issues.
 - Serves as liaisons between the Department, Tribal Governments and other involved third parties to promote government-to-government relationships.
 - Provides information, training and facilitation services related to issues affecting Native American communities.

Chief, Division of Environmental Analysis:

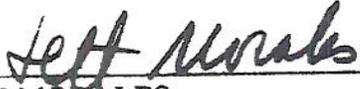
- Oversees the Native American Cultural Studies Branch.
- Develops policies and procedures implementing applicable State and federal environmental and cultural resources laws that affect Native American communities.
- Acknowledges and complies with applicable tribal environmental laws.

Managers and Supervisors: Ensure that their subordinates are informed of and comply with this policy.

Employees: Ensure that the Department is represented in a knowledgeable, sensitive and respectful manner when engaging in activities that impact Native American communities.

APPLICABILITY

Everyone who works for the Department in any capacity including contractors, consultants and subcontractors.



JEFF MORALES
Director



Date Signed

Deputy Director, Planning and Modal Programs:

- Has lead responsibility for the development and implementation of departmental policy regarding issues impacting Native American communities.
- Coordinates the activities of and serves as the Director's representative and ex-officio member to the Director's Native American Advisory Committee.
- Advises Districts, Divisions, agencies and states to resolve issues or concerns of Native American communities.

Deputy Director, Civil Rights:

- Develops and implements departmental policy on issues regarding Civil Rights, Disadvantaged Business Enterprises (DBE) and Tribal Employment Rights Ordinances (TERO) as they relate to Native Americans and Native American communities.
- Advises Tribal Governments and the Department on Title VI provisions as they relate to Native Americans.

Deputy Director, Project Delivery:

- Develops and implements departmental policy on issues regarding environmental and cultural resources as they relate to Native American communities.
- Develops procedures to implement this policy as it relates to project delivery issues.

Deputy Director, Maintenance and Operations: Develops procedures to implement this policy as it relates to the maintenance and operation of State transportation facilities.

District Directors:

- Promote, establish and manage government-to-government relationships between the Department and Tribal Governments.
- Coordinate District activities with the Native American Liaison Branch.

Division Chiefs and Program Manager: Develop procedures to implement this policy as it relates to their respective areas of responsibility.

Chief, Division of Transportation Planning:

- Oversees the Department's Native American Liaison Branch that:
 - Serves as Department ombudspersons on Native American issues and initial contact for Native American legal issues.
 - Serves as liaisons between the Department, Tribal Governments and other involved third parties to promote government-to-government relationships.
 - Provides information, training and facilitation services related to issues affecting Native American communities.

Chief, Division of Environmental Analysis:

- Oversees the Native American Cultural Studies Branch.
- Develops policies and procedures implementing applicable State and federal environmental and cultural resources laws that affect Native American communities.
- Acknowledges and complies with applicable tribal environmental laws.

Managers and Supervisors: Ensure that their subordinates are informed of and comply with this policy.

Employees: Ensure that the Department is represented in a knowledgeable, sensitive and respectful manner when engaging in activities that impact Native American communities.

APPLICABILITY

Everyone who works for the Department in any capacity including contractors, consultants and subcontractors.



JEFF MORALES
Director

8/29/01

Date Signed

Statute, Regulations, and Guidelines for Native American Consultation and Coordination APPENDIX

Statute

Title 23, U.S.C., Chapter 1, Sections 134 and 135, as amended by SAFETEA-LU, provides statutory guidance relative to the planning requirements. SAFETEA-LU requires that State and metropolitan agencies must consult, coordinate and consider the concerns of Tribal Governments when developing transportation plans, and the State Transportation Improvement Program (STIP).

Metropolitan Transportation Plan: "Where a metropolitan planning area includes Federal public lands and/or Indian tribal lands, the affected Federal agencies and Indian tribal governments shall be involved appropriately in the development of transportation plans and programs."

Consultation for Mitigation Activities. "A long –range transportation plan shall include a discussion of types of potential environmental mitigation activities and potential areas to carry out these activities." This discussion shall be developed in consultation with Federal, State, and tribal--- wildlife, land management, and regulatory agencies.

Statewide Transportation Plan: "Each State shall develop a statewide transportation plan, with a minimum 20-year forecast period, updated at least every five years, for areas of the State, that provides for the development and implementation of the intermodal transportation system of the State."

Statewide Transportation Improvement Program (STIP) —"Each State shall develop a statewide transportation improvement program for all areas of the State."

Reservations and Rancherias: "Each State shall consider at a minimum the concerns of Indian tribal governments and Federal land management agencies that have jurisdiction over land within the boundaries of the State; and coordination of transportation plans, the transportation improvement program, and planning activities with related planning activities being carried out outside of metropolitan planning areas and between States."

SAFETEA-LU has also provided new revisions to the Federal Transit Administration (FTA)—Title 49, U.S.C.:

- When developing the annual listing of obligated projects, there shall be a cooperative effort of "transit operators" that shall include "investments in pedestrian walkways and bicycle transportation facilities." "Transit operators" include Tribal transit operators.

- A coordinated Public Transit-Human Services Transportation Plan must be developed through a process that include representatives of public, private, and non profit transportation and human services providers, as well as the public, Tribal nonprofit organizations, e.g., Indian health clinics in California are primarily incorporated as non-profit organizations.

Regulations

Code of Federal Regulations (CFR) 23, pursuant to Title 23, U.S.C., provides regulatory guidance relative to the planning requirements.

Part 450, Planning Assistance and Standards:

Subpart B, Statewide Transportation Planning, § 450.202 Applicability: "The requirements of this subpart are applicable to States and any other agencies/organizations which are responsible for satisfying these requirements."

Subpart B § 450.206(b): "The degree of consideration and analysis of the factors should be based on the scale and complexity of many issues, including transportation problems, land use, employment, economic development, environmental and housing and community development objectives . . ."

Subpart B, § 450.208, Statewide transportation planning process: Factors, (a)(23): "The concerns of Indian tribal governments having jurisdiction over lands within the boundaries of the State."

Subpart B, § 450.210, Coordination,

CFR 23, Subpart A, § 450.104, Definitions: "Consultation means that one party confers with another identified party and, prior to taking action(s), considers that party's views."

(a): "In addition to the coordination required under § 450.208(a)(21) in carrying out the requirements of this subpart, each State, in cooperation with participating organizations (such as MPOs, Indian tribal governments, environmental, resource and permit agencies, public transit operators) shall, to the extent appropriate, provide for a fully coordinated process including coordination of the following:

(2): "Plans, such as the statewide transportation plan required under §450.214, with programs and priorities for transportation projects, such as the STIP;"

(3): " Data analysis used in development of plans and programs (for example, information resulting from traffic data analysis, data and plans regarding employment and housing availability, data and plans regarding land use control and community development) with land use projects

with data analysis on issues that are part of public involvement relating to project implementation.”

Subpart B, § 450.214, Statewide transportation plan,

- (a): "The State shall develop a statewide transportation plan for all areas of the State."
- (c): "In developing the plan, the State shall:
 - (2) "Cooperate with the Indian tribal government and the Secretary of the Interior on the portions of the plan affecting areas of the State under the jurisdiction of an Indian tribal government:"

Subpart C, Metropolitan Transportation Planning and Programming, § 450.312
Metropolitan transportation planning: Responsibilities, cooperation, and coordination,

- (i): "Where a metropolitan planning area includes Federal public lands and/or Indian tribal lands, the affected Federal agencies and Indian tribal governments shall be involved appropriately in the development of transportation plans and programs."

Subpart C, § 450.324, Transportation improvement program: General,

- (f): The TIP shall include:
 - (1): "All transportation projects, or identified phases of a project, (including pedestrian walkways, bicycle transportation facilities and transportation enhancement projects) within the metropolitan planning area proposed for funding under title 23, U.S.C., (including Federal Lands Highway projects). "

Statewide Transportation Planning and Programming: CFR 23, Subpart B §450.212 and §450.210: In carrying out the statewide transportation planning process, including development of the long-range transportation plan and the STIP, the State shall use a documented public involvement process that provides opportunities for public review and comment at key decision points. Public involvement shall be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement.

Metropolitan public involvement processes shall be coordinated with statewide public involvement processes wherever possible to enhance public consideration of the issues, plans, and programs and reduce redundancies and costs.

Metropolitan planning and programming: CFR 23, Subpart C §450.316(b)(1) “The Metropolitan transportation planning process shall include a proactive public involvement process that provides complete information, timely public notice, full public

access to key decisions, and supports early and continuing involvement of the public in development plans and TIPs.”

Guidelines

California Transportation Commission (CTC), Regional Transportation Plan Guidelines, approved in April 2010.

The California Transportation Commission approved the following requirement in the Regional Transportation Guidelines: "the MPOs and RTPA should include a discussion of consultation, coordination and communication with federally recognized Tribal Governments when the community is located within the boundary of an MPO/RTPA". The MPO/RTPA should establish a government-to-government relationship with each Tribe in the region. This refers to a protocol for communicating between the MPOs/RTPAs and the Tribal Governments as a sovereign nation. This consultation process should be documented in the RTP.

Director's Policy

Number: DP-13-R2
Effective Date: April 2008
Supersedes: DP-13-R (11-19-98)

TITLE California Department of Transportation Disadvantaged Business Enterprise Program

POLICY

The California Department of Transportation (Department) assures equal opportunity in the award and performance of any contract to all persons, without regard to race, color, national origin, or sex. The Department ensures Disadvantaged Business Enterprises (DBE) and other disadvantaged persons have the maximum opportunity to compete for and perform on Department contracts.

INTENDED RESULTS

The intent of the DBE Program is to remedy past discrimination, eliminate discriminatory practices, ensure discrimination is not occurring, increase participation of DBEs in all Department contracting activities to the maximum extent feasible, and meet the overall annual DBE participation goal, in compliance with 49 Code of Federal Regulations 26. The DBE Program may be administered through race-neutral and/or race-conscious measures. Adhering to this policy will ensure a level playing field; foster equal opportunity in the United States Department of Transportation federally-assisted contracts; and improve DBE Program flexibility, efficiency, and sustainability.

RESPONSIBILITIES

Director:

- Ensures non-discrimination in implementing all policies.
- Delegates daily operations of the DBE Program to the Deputy Director, Civil Rights.

Deputy Director, Civil Rights:

- Serves as the Department's DBE Advocate.
- Ensures the Department is meeting its DBE participation goals.
- Advises the Director and governing bodies on DBE matters and achievements.
- Develops, implements, and monitors all aspects of the DBE Program and DBE policy.
- Coordinates Department's statewide DBE outreach activities.
- Assists all DBEs in obtaining the necessary information to compete fairly by providing guidance and direction, and advising DBEs where to seek management, technical expertise, bonding, financing, and other supportive services.

- Establishes and maintains a good working relationship with local agencies and community-based organizations.
- Chairs and facilitates statewide Small Business Council (SBC) meetings.
- Ensures coordination with Department managers, the Federal Highway Administration, the Federal Transit Administration (FTA), local agencies, and the business community.
- Ensures only firms meeting eligibility standards participate as DBEs.

Deputy Directors:

- Administer the DBE Program through delegated authority from the Civil Rights Deputy Director to the following Division Chiefs: Procurement and Contracts, Construction, Local Assistance, Mass Transportation, Transportation Planning, and Engineering Services.

Division Chief, Procurement and Contracts:

- Ensures the collection of DBE submittal forms.
- Monitors contracts for compliance.
- Ensures participation in Department-sponsored workshops and outreach meetings to help guide the business community through the State contracting process.
- Ensures inclusion of federally-funded DBE contract requirements in solicitation and contract documents.
- Provides requested input and participation in the SBC meetings.
- Collects data and reports on DBE participation for federal reporting requirements.

Division Chief, Construction:

- Ensures the work each DBE will perform is discussed with the resident engineer and the prime contractor, when required.
- Monitors DBE activities during contract performance.
- Provides requested input and participation in SBC meetings.
- Collects data and reports on DBE participation for federal reporting requirements.

Division Chief, Local Assistance:

- Ensures DBE Program requirements are included in the Local Assistance Procedures Manual (LAPM); local agencies are required to adhere to the LAPM.
- Provides DBE Program training on contract evaluation, data collection, outreach, and compliance monitoring.
- Provides guidance to local agencies on the DBE Program.
- Ensures DBE documents are available to local agencies.
- Monitors local agencies for compliance with DBE requirements.
- Provides requested input and participation in SBC meetings.

"Caltrans improves mobility across California"

- Collects data and report on DBE participation for federal reporting requirements.

Division Chief, Mass Transportation:

- Ensures the acquisition of a certification of DBE Program compliance from each subrecipient receiving FTA funds during the contract solicitation process.
- Monitors local agencies as subrecipients of FTA funds for compliance with DBE requirements.
- Collects data and reports on DBE participation for federal reporting requirements.

Division Chief, Transportation Planning:

- Ensures DBE Program requirements are met by metropolitan planning organizations and regional transportation planning agencies.
- Collects data and reports on DBE participation for federal reporting requirements.

Division Chief, Engineering Services:

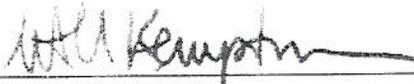
- Ensures the collection of DBE submittal forms prior to bid award.
- Ensures participation in Department-sponsored workshops and outreach meetings to help guide the business community through the State contracting process.
- Ensures inclusion of federally funded DBE contract requirements in solicitation and contract documents.
- Collects and maintains the DBE Bidders List.
- Collects data and reports on DBE participation for federal reporting requirements in each case.

District Directors:

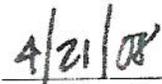
- Administer the District-level DBE Program through the delegated authority by the Civil Rights Deputy Director to all District Directors and to all affected within the District.
- Ensure solicitation of DBEs for emergency work or other contracting opportunities.

APPLICABILITY

This policy applies to all departmental employees and subrecipients of State and federal assistance.



WILL KEMPTON
Director



Date Signed

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

Please refer to the instructions sheet for directions on filling out this form

Submitted to: Check only one, HWA, FAA, FTA. Vendor Number: _____

2. AIP Numbers (FAA Recipients Only): _____

3. Federal fiscal year in which reporting period falls: FY _____

4. Date This Report Submitted: _____

5. Reporting Period: [] Report due June 1 (for period Oct. 1-Mar. 31) [] Report due Dec. 1 (for period Oct. 1-Sept. 30) [] FAA annual report due Dec. 1

6. Name and address of Recipient: _____

7. Annual DBE Goal(s): _____

Race Conscious Goal % Race Neutral Goal % OVERALL Goal %

7.5 Percentage of Total Dollars Committed/Awarded to DBEs (divide total dollars to DBEs in 9.5(C) by the total dollars in 8(A))

COMMITMENTS/AWARDS MADE DURING THIS REPORTING PERIOD (total contracts and subcontracts committed during this reporting period)	A		B		C		D		E		F		G		H		I	
	Total Dollars	Total Number	Total to DBEs (dollars) [E+G]	Total to DBEs (number) [F+H]	Total to DBEs /Race Conscious (dollars)	Total to DBEs /Race Conscious (number)	Total to DBEs /Race Conscious (dollars)	Total to DBEs /Race Conscious (number)	Total to DBEs /Race Conscious (dollars)	Total to DBEs /Race Conscious (number)	Total to DBEs /Race Conscious (dollars)	Total to DBEs /Race Conscious (number)	Total to DBEs /Race Neutral (dollars)	Total to DBEs /Race Neutral (number)	Total to DBEs /Race Neutral (dollars)	Total to DBEs /Race Neutral (number)	Percentage of total dollars to DBEs (C/A)	
8. Prime contracts awarded this period																		
9. Subcontracts committed/awarded this period																		
9.5 Totals																		
DBE COMMITMENTS/AWARDS THIS REPORTING PERIOD-BREAKDOWN BY ETHNICITY & GENDER																		
10. Total Number of Contracts (Prime and Sub)	A	B	C	D	E	F	G	H	TOTALS (for this reporting period only) (A+B+C+D+E+F+G)									
	Black American	Hispanic American	Native American	Subcont. American	Asian-Pacific American	Non-Minority Women	Other (i.e. not of any other group listed here)											
11. Total Dollar Value																		

ACTUAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A		B		C		D		E	
	Number of Prime Contracts Completed	Total Dollar Value of Prime Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)
12. Race Conscious										
13. Race Neutral										
14. Totals										

15. Submitted by (Print Name of Authorized Representative): _____

16. Signature of Authorized Representative: _____

17. Phone Number: _____

18. Fax Number: _____

Notes: All dollars represent Federal dollars. Brackets in 8(G) and 13(D) represent DBE participation beyond what was needed to meet the goal.

INSTRUCTIONS FOR COMPLETING THE UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

1. Indicate the DOT Operating Administration (OA) that provides your Federal financial assistance. If assistance comes from more than one OA, use separate reporting forms for each OA. If you are an FTA recipient, indicate your Vendor Number in the space provided.

2. If you are an FAA recipient, indicate the relevant AIP Numbers covered by this report. If there are more than six, attach a separate sheet.

3. Specify the Federal fiscal year (i.e. October 1-September 30) in which the covered reporting period falls.

4. State the date of submission of this report.

5. Check the appropriate box that indicates the reporting period that the data provided in this report covers. If this report is due June 1, data should cover October 1 - March 31. If this report is due December 1, data should cover October 1 - September 30. The second report will be an accumulation of the entire Fiscal Year. FAA reports are due December 1 for the period October 1 - September 30.

6. Name and address of the recipient.

7. State your annual DBE goal(s) established for the Federal fiscal year of this report to be submitted to and approved by the relevant OA. Your Overall Goal is to be reported as well as the breakdown for specific Race Conscious and Race Neutral projections (both of which include gender-conscious/neutral goals/projections). The Race Conscious projection portion should be based on programs that focus on and provide benefits only for DBEs. The use of contract goals is a primary example of a race conscious measure. The Race Neutral projection portion should include programs that, while benefiting DBEs, are not solely focused on DBE firms. For example, unbundling large contracts to make them more accessible to small businesses.

8. The percentage of total dollars to DBEs is derived by dividing the total dollars to DBEs in 9.5(C) by the total dollars in 8(A). **All dollar amounts are to reflect only the Federal share of such contracts, and should be rounded to the nearest dollar.**

8.9. The amounts in items 8(A)-9(I) should include all types of prime contracts awarded and all types of subcontracts committed/awarded, including professional or consultant services, construction, purchase of materials or supplies, lease or purchase of equipment and any other types of services. The definition of commitments and awards vary slightly between OAs. For example, when a prime contract is awarded and subcontractors are listed in the prime contract, but are not yet awarded, FTA considers the subcontracts awarded while FHWA considers the subcontracts committed. In either case, these subcontracts should be reported in 9(A)-9(I). In subsequent reports, FHWA recipients have traditionally reported the actual awards instead of the commitments initially reported once the awards were made. For example, if a prime contract is awarded in March, but the subcontracts are not specifically awarded until July, then the recipient would report the commitments in the June 1 report. However, the second report, due Dec. 1, would reflect the subcontracts awarded instead of the subcontracts committed. The numbers would only be different if there were changes after the prime contract was awarded. Recipients may, but are not required to report subcontracts awarded. However, recipients must be careful not to double count DBE subcontract commitments and awards during the reporting periods.

8(A). Provide the total Federal dollar amount for all prime contracts assisted with DOT funds that were awarded during this reporting period.

8(B). Provide the total number of all prime contracts assisted with DOT funds that were awarded during this reporting period.

8(C). From the total dollar amount awarded in item 8(A), provide the Federal dollar amount awarded to certified DBEs during this reporting period.

8(D). From the total number of prime contracts awarded in item 8(B), specify the number awarded to certified DBEs during this reporting period.

8(E) -

8(F). Any time a DBE wins a prime contract through customary competitive procurement procedures, the DBE participation is race-neutral. Therefore, these blocks have been blacked out.

8(G). From the total Federal dollar amount awarded in item 8(C), provide the Federal dollar amount awarded to certified DBEs through the use of Race Neutral methods. See the definition of Race Neutral Goal in item 7 and the explanation in item 8 of project types to include. If DBE participation exceeded what was needed to meet the goal, the excess should be listed in the brackets in 8(G). The excess amount in the brackets should be added to the Race Neutral dollar amount in 8(G) to reach the total in 8(C).

8(H). From the total number of prime contracts awarded in 8(D), specify the number awarded to DBEs through Race Neutral methods.

8(I). Of all prime contracts awarded this reporting period, calculate the percentage going to DBEs. Divide the dollar amount in item 8(C) by the dollar amount in item 8(A) to derive this percentage. Round percentage to the nearest tenth.

9(A)-9(I). Items 9(A)-9(I) are derived in the same way as items 8(A)-8(I), except that these calculations should be based on subcontracts rather than prime contracts. In 9(H), to avoid double counting, do not count race conscious contracts that also have race neutral participation obtained by exceeding the contract goal.

9.5(C). If a DBE prime contractor subcontracts to a DBE subcontractor and you have already counted the DBE prime in 8(C), do not double count by including it in 9(C). For example, if the DBE prime contractor will perform 50% of the work, that amount should be reported in 8(C), and if a DBE subcontractor is to perform the remaining 50% of the work, that amount should be reported in 9(C).

10(A)-11(H). For all DBEs awarded prime contracts and committed/awarded subcontracts as indicated in 8(C)-(D) and 9(C)-(D), break the data down further by total dollar amount as well as the number of all contracts committed/awarded to each ethnic group as well as to non-minority women. The "Other" category includes those DBEs who are not members of the presumptively disadvantaged groups already listed, but who are determined eligible for the DBE program on an individual basis (e.g. a Caucasian male with a disability). The TOTALS value in 10(H) should equal the sum of 10(A) - 10(G), and similarly, the TOTALS value in 11(H) should equal the sum of 11(A) - 11(G).

12(A)-14(E). A completed contract refers to the completion of the prime or full contract (i.e., final payment), in the reporting period. This would include all changes, extra work orders, etc. For example, if a subcontract was completed in October 2004, but the full contract is not completed until May 2005, the subcontract payments would not be reported until the final contract was completed in May 2005.

Intermittent progress payments made during the reporting period on a contract that is not completed would not be reported.

12(A) Provide the total number of prime contracts completed during reporting period that had Race Conscious goals. Race Conscious contracts are those with contract goals or another race conscious measure.

12(B) Provide the total Federal dollar value of prime contracts completed this reporting period that had race conscious goals.

12(C) Provide the total Federal dollar amount of DBE participation on all prime contracts completed this reporting period that was necessary to meet the contract goals on them.

12(D) Provide the actual total DBE participation in Federal dollars on the prime contracts with race conscious subcontracting goals completed this reporting period. 12(D) should not exceed 12(C). If DBE participation exceeds what is needed to meet the goal, it should be reflected in 13(D) in the brackets.

12(E) Of all the prime contracts completed this reporting period, calculate the percentage of DBE participation. Divide the actual total dollar amount in 12(D) by the total dollar value provided in 12(B) to derive this percentage. Round to the nearest tenth.

13(A)-13(E) Items 13(A)-13(E) are derived in the same manner as items 12(A)-12(E), except these figures should be based on Race Neutral prime contracts and subcontracts (i.e. those with no race conscious measures). If DBE participation exceeded what was needed to meet the goal, the excess should be listed in the brackets in 13(D). The excess amount in the brackets should be added to the Race Neutral dollar amount in 13(D) to reach the percentage in 13(E).

14(A)-14(D) Calculate the totals for each column by adding the race conscious and neutral figures provided in each row above.

14(E) Divide the actual total dollar amount in 14(D) by the total dollar value provided in 14(B) to derive the percentage.

15-17 Self explanatory.

18 Submit your completed report to your Regional or Division Office.

Key Federal Contract and Procurement Requirements

Per 49 Code of Federal Regulations, Part 18.36:

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only--

- (i) After a determination that no other contract is suitable, and
- (ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures or failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE DIRECTOR

P.O. BOX 942873, MS-49

SACRAMENTO, CA 94273-0001

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February 3, 2011

Metropolitan Planning Organization Executive Directors

Dear Executive Directors:

At the November 29, 2010 California Association of Councils of Governments meeting, Garth Hopkins of my staff briefed the meeting attendees regarding the potential of allowing toll credits to be used as a match to Federal Highway Administration (FHWA) Metropolitan Planning (PL) and Federal Transit Administration (FTA) 5303 funds. At this meeting, the California Department of Transportation (Caltrans) promised to follow up with a letter to you regarding how the Toll Credits Program will be implemented for these funds.

I am now pleased to inform you that starting with state fiscal year (FY) 2011-12, your agency can begin to use toll credits in lieu of local match for planning activities funded with FHWA PL and FTA 5303 funds. However, please note that toll credits can only be used to match the current year allocation for each of these two funds. Toll credits cannot be used for matching carryover funds your agency programs in the FY 2011-12 Overall Work Program (OWP).

Additionally, in order for your agency to use toll credits in lieu of the required local match, your agency will need to ensure the following guidelines are met starting with the FY 2011-12 OWP and corresponding Requests for Reimbursements and Quarterly Reports:

1. Identification of the amount of toll credits used for each OWP work element. In each work element, as demonstrated in Attachment A, toll credits will need to be shown by fund source. For example, if a work element includes both FHWA PL and FTA 5303 funds, then toll credits will need to be shown separately for each of the two federal fund sources.
2. Within each work element, an obvious separation of FHWA PL and FTA 5303 programmed carryover from the FHWA PL/FTA 5303 toll-credit matched funds.

For your convenience, my staff has prepared a sample work element budget sheet (Attachment A) that demonstrates, at a minimum, what your agency will need to show in their OWP work element budget if you elect to utilize toll credits to match FHWA PL and/or FTA 5303 funds. This attachment also demonstrates the potential savings that your agency could achieve if it elects to take advantage of the toll credits program. Also attached to this letter you will find the "Toll Credits Frequently Asked Questions" (Attachment B) that I hope answers some of the key questions regarding this program.

February 3, 2011

Page 2

Please let me know if you have any questions regarding the implementation of the Toll Credits Program for usage on FHWA PL and FTA 5303 funds. I can be reached at (916) 653-1818 or you can contact Garth Hopkins at (916) 654-8175.

Sincerely,



Sharon Scherzinger, Chief
Division of Transportation Planning

Attachments:

- (1) Sample Work Element ✓
- (2) Toll Credits Frequently Asked Questions ✓

Cc: Martin Tuttle, Deputy Director, Caltrans Planning and Modal Programs
Garth Hopkins, Chief, Caltrans Office of Regional and Interagency Planning
Fardad Falakfarsa, Chief, Caltrans Office of Federal Resources
Randy Steen, Chief, Caltrans Program Management Branch
Ray Zhang, Chief, Caltrans Office of Project Implementation
Kimberly Gayle, Chief, Caltrans Federal Transit Grants Program
Michael Lange, Senior Transportation Planner, Caltrans Division of Mass Transportation
District Deputy Directors for Planning, Caltrans
Sue Kiser, Director of Planning and Air Quality, FHWA
Ray Sukys, Director, Office of Planning and Program Development, FTA

Attachment A – SAMPLE WORK ELEMENT BUDGET

Work Element Budget WITH Toll Credits:

<u>Expenditures</u>		
FHWA PL	\$88,530.00	Total of \$100,000 in FY 2011-12 FHWA PL
Toll Credits (PL)	\$11,470.00	
PL Carryover	\$50,000.00	
PL Carryover Match (TDA funded)	\$6,478.03	
FTA 5303	\$88,530.00	Total of \$100,000 in FY 2011-12 FTA 5303
Toll Credits (5303)	\$11,470.00	
FTA 5303 Carryover	\$50,000.00	
FTA 5303 Carryover Match (TDA funded)	\$6,478.03	
<u>Total Federal Funds</u>	\$300,000.00	
<u>Total Local Funds (TDA)</u>	\$ 12,956.06	
<u>Work Element Total</u>	\$312,956.06	

Work Element Budget WITHOUT Toll Credits:

<u>Expenditures</u>		
FHWA PL	\$88,530.00	Total of \$138,530 in FHWA PL
PL Carryover	\$50,000.00	
PL Match (TDA funded)	\$17,948.03	
FTA 5303	\$88,530.00	Total of \$138,530 in FTA 5303
FTA 5303 Carryover	\$50,000.00	
FTA 5303 Match (TDA funded)	\$17,948.03	
<u>Total Federal Funds</u>	\$277,060.00	
<u>Total Local Funds (TDA)</u>	\$ 35,896.06	
<u>Work Element Total</u>	\$312,956.06	

Use of Toll Credits allows MPO to substitute \$22,940.00 in Federal Funds for the required local match

Attachment B – Toll Credits Frequently Asked Questions

1) What are toll credits?

Toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned on existing toll facilities.

The usage of toll credits permit the non-Federal share of a project's cost to be met through a "soft match" of toll credits. By using toll credits to substitute for the required nonfederal share on a new Federal-aid project, the Federal share can effectively be increased to 100 percent.

2) Are toll credits new money?

No, toll credits are not new money. Toll credits are solely a means of accounting for the match requirements in federal funding.

3) Who is eligible to use toll credits?

Both Caltrans and its partner agencies (MPOs) can use toll credits to substitute for the required nonfederal share on Federal-aid projects.

4) Is there an allocation formula for the Toll Credits Program similar to the formulas used for FHWA PL and FTA 5303 funds?

No, there is not a formula for allocating toll credits to each MPO. The amount of toll credits can be used to match the current year allocation provided your agency has not already identified another source of local match. The amount of toll credits your agency has available to them depends on your FHWA PL and FTA 5303 yearly allocation.

5) What planning funds are eligible for toll credits?

Starting state fiscal year (FY) 2011-12 (July 1, 2011), FHWA Metropolitan Planning (PL) and FTA 5303 funds will be eligible to be soft matched with toll credits.

6) Are prior fiscal year funds eligible for toll credits?

No. Toll credits can only be applied to new FY allocations. Any prior year "carryover" FHWA PL and FTA 5303 funds are not eligible to be matched with

toll credits. Additionally, toll credits are tied specifically to the year in which they are programmed.

7) How can toll credits used by my agency for FHWA PL and FTA 5303 funds?

The MPO will program in the OWP, at the work element/fund type level, the desired amount of toll credits to “soft match” their FHWA PL and FTA 5303 funds. By using toll credits to substitute for the required local match share, the FHWA PL and FTA 5303 share can now be programmed at 100 percent of the work element costs. Since toll credits are solely for current year funds, the agency will need to distinguish in the OWP how the toll credits are being used (i.e. the agency will need to show current year funds “soft matched” with toll credits and any carryover funds matched with local/state funds).

8) Why should my agency use toll credits?

Toll credits allow for your agency to more easily program the entire year FHWA PL and FTA 5303 allocation and frees up the required local match to be used by your agency for other activities (i.e. activities that aren't eligible for FHWA PL and FTA 5303 funds, to match carryover FHWA PL and FTA 5303 funds, or to use for other non OWP tasks).

9) How does my agency report Toll Credit usage?

The MPO will program in the OWP the desired amount of toll credits to “soft match” their FHWA PL and FTA 5303 funds. Additionally, no more often than monthly and no less that quarterly, your agency will submit requests for reimbursement and supporting documentation in which the agency will show the “soft match” of toll credits.

Please note, federal regulations also require that multi-county agencies report toll credit usage by county. This policy will apply to SACOG, MTC, AMBAG, SCAG, and TMPO/TRPA should they choose to program toll credits into their OWPs.

10) Will Toll Credits be available beyond state FY 2011-12?

Currently, we are in the first year of a two-year Toll Credit pilot program. Since MPOs had already identified the source(s) of local match in the FY 2010-11 OWP, these activities were prohibited from being matched with toll credits. It is unknown at this time if the Toll Credit program will be extended beyond the end of state FY 2011-12.

DEPARTMENT OF TRANSPORTATION
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April 13, 2011

Metropolitan Planning Organizations

Dear Executive Directors:

Your agency has been identified as one of the Metropolitan Planning Organizations (MPOs) that will be utilizing toll credits as local match for federal planning funds in the upcoming fiscal year 2011-12 Overall Work Program (OWP). This letter is a follow up to our February 3, 2011 letter (attached) regarding the allowance of Toll Credits to be used in lieu of local match to Federal Highway Administration (FHWA) Metropolitan Planning (PL) and Federal Transit Administration (FTA) 5303 funds. This letter is intended to provide additional clarification to those MPOs utilizing Toll Credits and how they should be displayed in their fiscal year 2011-12 OWP.

Please note: Toll Credits are not a form of cash or revenue. They are simply credits that can be used as a substitution for local matching funds. When Toll Credits are used as match to fund a work task item or element, the MPO should ensure that enough federal, state or local funds are documented and programmed to ensure enough revenue is available to fund the work element.

The chart below represents an example of the proper way to illustrate this in the OWP. This example uses the 88.53/11.47 percent matching ratio that is required for FHWA PL and FTA 5303 funds excluding carryover FHWA PL or FTA 5303 Funds, or other local/state funds:

Total Work Element Budget Revenue	FHWA PL	Toll Credits	FTA 5303	Toll Credits	Local Match
\$200,000	\$100,000	\$12,957	\$100,000	\$12,957	\$0

As indicated in the chart above, the total revenue for this work element would be \$200,000. The Toll Credits shown do not have a cash value, thus they are not part of the revenue counted in the work element. Even though the Toll Credits do not have a cash value, they are still required to be documented in each work element to ensure that their usage can be tracked accurately.

If the MPO desires to include carryover and/or other state and local funds in work elements that also include the usage of Toll Credits, then an example of the proper way to display this is shown below. In this example, FHWA PL, FHWA PL Carryover, FTA 5303, FTA 5303 Carryover, and local match for those carryover funds are shown.

Metropolitan Planning Organization Executive Directors
April 13, 2011
Page 3

bc: District Regional Planning Seniors and Liaisons

Caltrans Division of Transportation Planning
Quarterly Progress Report: Proposition 84 Modeling Incentive Funds
 Fiscal Year 2010-2011

MPO shall submit Quarterly Progress Report to State no later than thirty (30) calendar days after the close of each quarter describing progress toward completion of tasks, projects, and products, conformance with project schedules, and reporting all costs incurred for the work elements contained in the OWP. These reports are due to the District on the dates below:

Due Dates: October 15th, January 15th, April 15th, and July 15th

Agency Name:					
Contact Person: (name/phone)					
Project End Date:					
Report for Quarter Ending:	QR 1 <input type="checkbox"/> (July, Aug, Sep)		QR 3 <input type="checkbox"/> (Jan, Feb, Mar)		
	QR 2 <input type="checkbox"/> (Oct, Nov, Dec)		QR 4 <input type="checkbox"/> (Apr, May, Jun)		
Total Authorized	\$	Funds Expended	\$	Balance Available:	\$

1). Please provide overall status/general comments for this quarter (progress, problems encountered, etc.). Do changes need to be made to schedule or scope of work? If so, please contact Regional Planning staff.

2). Describe the progress this quarter by task. Please provide task numbers. Tasks that have not been worked on this quarter may be left off.

Task #	Task Name	Description of Progress/ Deliverables Completed	Due Date	% Completed

- 3). What collaborative activities or efforts have been conducted this quarter to engage stakeholders, local agencies, and/or elected officials in the process?

- 4). For data collection, as applicable: Have the data and preliminary findings pertinent to build the model been collected? What data has been collected? Please identify missing data.

- 5). For surveys, as applicable: What data have been collected for the survey (e.g., number of people in house, number of vehicles, trip type, frequency of trips, trip purpose, local or interregional)? What data still need to be collected and analyzed?

- 6). For modeling, as applicable: Has the model been calibrated and validated to base year, and what future years have been produced?

Signature _____

Date

_____ Title

_____ Phone

NAME OF MPO
ADDRESS OF MPO
PROP 84

REQUEST FOR REIMBURSEMENT
NUMBER _____, Fiscal Year 2010-2011

The **FILL IN AGENCY NAME**, a Metropolitan Planning Organization requests reimbursement in the amount of \$ _____ for the period beginning _____ through and inclusive of _____. I certify that I am a duly authorized representative of **FILL IN AGENCY NAME** and the request for reimbursement is consistent with the terms of the Master Fund Transfer Agreement, numbered _____ and dated _____, entered into between **FILL IN AGENCY NAME** and the State of California, Department of Transportation. The reimbursement request is for work completed in accordance with the **2010- 11** approved Overall Work Program. **By signing this Request for Reimbursement Form, FILL IN AGENCY NAME certifies that all State and Federal matching requirements have been met and that no Federal Funds were used for local match and/or In-Kind Service.**

2010-11 OWPA Authorized	_____
Total Invoices Year-to-Date	_____
Current Invoice	_____
Balance	\$ _____ -

***Current Reimbursement Breakdown. This portion must be completed by local agency to receive reimbursement.**

Prop 84 _____ No Match Required

Name & Title (please print) Signature Date

Department of Transportation Use Only

I certify that I am duly authorized by the Department of Transportation to approve payment to **FILL IN AGENCY NAME** in the

Vendor# Accounting Use Only	_____ Name (please print)	_____ Signature	_____ Date
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TC _____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI _____ N	Contract #	
TC _____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI _____ N	Contract #	
TC _____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI _____ N	Contract #	
TC _____	Source Dist 74	Source Unit 162	Project #	FA 6	ObjCode 049
Amount \$		FY	RPI _____ N	Contract #	

Dist received Invoice Invoice Dispute Notification Sent Date Invoice Sent to HQ Accounting

**Caltrans Division of Transportation Planning
Regional Blueprint Planning Grant
Quarterly Progress Report**

Due Dates: (QR1) October 15th, (QR2) January 15th, (QR3) April 15th, and (QR4) July 15th

Agency Name:			
Contact Person:			
Project End Date:		Current Fiscal Year:	
Report for Quarter Ending:	QR 1 <input type="checkbox"/> (July, Aug, Sep)	QR 3 <input type="checkbox"/> (Jan, Feb, Mar)	
	QR 2 <input type="checkbox"/> (Oct, Nov, Dec)	QR 4 <input type="checkbox"/> (Apr, May, Jun)	

	Grant Funds	Total Local Match Cash / In-kind	Estimated % of Project Completed to Date	% of Total Amount Expended to Date
Total Authorized in OWP				
Funds Expended to Date			%	%
Balance Available				

1. Briefly state what phase(s) your Blueprint is currently in. (e.g. data development, modeling, alternatives development, preferred scenario selection, implementation, etc, or multiple)

2. Answer all of the following questions that are applicable to this quarter's activities:

- a. Describe any notable outcomes of your public or stakeholder education and engagement activities performed this quarter, including audiences reached and mediums used.
- b. Describe any notable outcomes of your inter-agency, inter-governmental, or internal coordination efforts this quarter.
- c. During this quarter, how have you connected your Blueprint activities with other planning and implementation activities within your region and inter-regionally?
- d. Describe any achievements or challenges this quarter in data collection, improvement, management, or sharing and in modeling development, improvement or utilization.

Regional Blueprint Quarterly Report – Task Progress

Instructions: Identify progress and deliverables for each task worked on during this quarter. Report on the Measures of Task Success for each task as identified in your grant application or agreed upon with Blueprint staff. Attach examples of materials illustrating milestones and/or products, e.g., flyer, meeting agenda, newspaper article. (If these are available on a website or through other means, note this instead.)

Task #	Task Name	Description of Progress/ Deliverables Completed	Report on Measures of Task Success	% Completed